

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 29, 2018

Advice Letter 5264-G

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

SUBJECT: Energy Savings Assistance (ESA) Program Multi-Family (MF) Common Area Measures (CAM Initiative Implementation Plan.

Dear Mr. van der Leeden:

Advice Letter 5264-GE is effective as of March 31, 2018.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
Fax: 213.244.4957

RvanderLeeden@semprautilities.com

March 1, 2018

Advice No. 5264
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Energy Savings Assistance (ESA) Program Multi-Family (MF)
Common Area Measures (CAM) Initiative Implementation Plan**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Utilities Commission (CPUC or Commission) its implementation plan for the ESA Program MF CAM initiative.

Purpose

This Advice Letter is filed in compliance with Ordering Paragraph (OP) 3 of Decision (D.) 17-12-009, which directs Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and SoCalGas (IOUs) to file a Tier 2 Advice Letter outlining their respective implementation plans for their MF common area activities as detailed in D.16-11-022 by March 1, 2018.¹ D.17-12-009 also ordered, that the implementation plans should be modeled, as appropriate, on the Implementation Plan Template located in Appendix 4 of D.15-10-028 and shall include, at a minimum, the program elements outlined in pages 1-3 of the Implementation Plan Template.²

Background

D.16-11-022 established the Multi-Family Working Group (MFWG) to evaluate the effect of the 65% ESA eligible tenant MF CAM rule on ESA CAM treatment. The information developed from the MFWG would be considered in the deployment of the

¹ D.17-12-009, OP 66 modifies D.16-11-022 to incorporate and adopt the redlined additions and deletions, as set forth in Attachment 1 of D.17-12-009. OP 66 of Attachment 1 directs the IOUs to file a Tier 2 Advice Letter outlining their respective implementation plans for their MF common area activities by March 1, 2018. See D.17-12-009, Attachment 1 at pp. 478-479.

² D.17-12-009 at p. 56.

ESA Program MF CAM initiative. In 2017, the MFWG held meetings quarterly, which included the Energy Division and stakeholders, and reported their progress along the way. SoCalGas will also include its progress regarding MF CAM implementation in its Annual Report filing in May 1, 2018.

The funding for the IOUs' ESA program for multi-family buildings dedicated to providing affordable housing to low-income Californians in deed restricted, government and non-profit owned multi-family buildings, is from the 2009-2016 unspent funds of all IOUs of \$80 million pro-rated by each utility. The landlord must certify that at least 65% of the building's tenants meet the ESA program's income eligibility threshold for participation for the common area measures.³

With the issuance of D.17-12-009, the IOUs were asked that prior to the submittal of their Advice Letters, the IOUs submit their draft implementation plans to the MFWG by January 15, 2018 for review and discussion by the MFWG.⁴ In addition, individual stakeholders also submitted separate recommendations to the MFWG addressing issues of non-consensus by January 30, 2018.

D.17-12-009 also clarified that implementation of the common area activities detailed in D.16-11-022 shall include the use of Single Point of Contact (SPOC) for buildings that participate in common area retrofits to offer and coordinate provision of in-unit measures (using providers approved by the IOUs for both common areas and in-unit).⁵

Discussion

SoCalGas hereby submits its ESA Program MF CAM Initiative Implementation Plan as outlined in Attachment A.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter, which is March 21, 2018. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is given below.

³ D.17-12-009, OP 40 of Attachment 1 at p. 468.

⁴ D.17-12-009, at p. 479 of Attachment 1, OP 66 and p. 503 OP 138.

⁵ D.17-12-009, at pp. 56 and 214.

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Ray B. Ortiz
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No.: (213) 244-4957
E-mail: ROrtiz@SempraUtilities.com

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. It is in compliance with D.17-12-009. Therefore, SoCalGas respectfully requests that it be made effective on March 31, 2018, which is 30 calendar days from the date filed.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.14-11-011. Address change requests to the GO 96-B service list should be directed by electronic mail to tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at process_office@cpuc.ca.gov.

Ronald van der Leeden
Director - Regulatory Affairs

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: ROrtiz@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 5264

Subject of AL: Energy Savings Assistance (ESA) Program Multi-Family (MF) Common Area Measures (CAM) Initiative Implementation Plan

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.17-12-009

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 3/31/18

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Southern California Gas Company

Attention: Ray B. Ortiz

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

ROrtiz@semprautilities.com

Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 5264

Southern California Gas (SoCalGas) Implementation Plan for Energy Savings Assistance (ESA) Program Multi-Family (MF) Common Area Measures (CAM) Initiative

(Includes Appendix)

Attachment A

Southern California Gas (SoCalGas) Implementation Plan for Energy Savings Assistance (ESA) Program Multi-Family (MF) Common Area Measures (CAM) Initiative

Program Budget and Savings Information

1. **Initiative Name**
SoCalGas ESA Program MF CAM Initiative
2. **Initiative ID Number**
(N/A)
3. **Budget Table**

SoCalGas MF Budget				
Category	2018	2019	2020	Total
MF Labor	\$328,000	\$343,256	\$640,744	\$1,312,000
Technical Assistance	\$250,000	\$261,628	\$488,372	\$1,000,000
MF Incentives	\$3,922,000	\$4,104,418	\$7,661,582	\$15,688,000
Total	\$4,500,000	\$4,709,302	\$8,790,698	\$18,000,000

Annual Budget Assumptions

- MF Labor
 - 2 Full Time Employees (FTEs) – Account Executives – Single Point of Contact (SPOC)
 - 2 FTEs – Business Analyst
- Technical Assistance
 - Approx. 25 commercial grade audits
- MF Incentives
 - The MF CAM budget of \$18 million per Decision (D.) 16-11-022.

4. Initiative Gross Impact Table

Gross KWH	Gross KW	Gross Therms
N/A	N/A	TBD

5. **Initiative Cost Effectiveness:** N/A
6. **Sup-Program Cost Effectiveness:** N/A
7. **Initiative Type:** Core
8. **Market sector or segment that this initiative is designed to serve:**
Multi-family Low-Income

9. Sub-Program Type: N/A

10. Indicate the primary intervention strategies: Direct Install

Implementation Plan Narrative

Provide the following narrative description for this initiative.

1. Description: Describe the initiative, its rationale and objectives.

SoCalGas' ESA Program offers low-income customers weatherization services, energy efficient appliances, and energy education at no cost to qualified natural gas customers within its service territory.

The California Long-Term Energy Efficiency Strategic Plan (Strategic Plan) lays out two goals: 1) By 2020, all eligible customers will be given the opportunity to participate in the ESA Program, and 2) The ESA Program will be an energy resource by delivering increasingly cost-effective and longer-term savings.

In D.12-08-044, the California Public Utilities Commission (Commission or CPUC) reinforced its key policy objective of making the ESA Program a reliable energy resource by adopting goals to treat one third of SoCalGas' willing and eligible households during program years 2012-2014. Treated goals remained the same throughout this bridge period.¹ D.16-11-022 specifically directed funding for new initiatives to come from unspent 2009-2016 ESA Program funds SoCalGas continues to work towards meeting the CPUC directed ESA Program goals and objectives.

D.16-11-022 directed SoCalGas to file an owner or authorized representative affidavit process for buildings located in a PRIZM Code, census tract, or federally recognized tribal reservation or zone where 80% of households are at or below 200% of federal poverty guidelines; a Promise Zone as designated by the federal government, or; buildings registered as a low-income affordable housing with the ESA Program qualified income documentation that is less than 12 months old on file. The process should allow large portfolio owners/operators to simultaneously submit affidavits for many properties in multiple service territories at one time and was to be submitted to the Commission via Advice Letter for approval. The self-certification affidavit shall also act as the Property Owner Waiver form for the ESA Program and other Energy Efficiency program installations. D.17-12-009 clarified that the implementation of the common area activities detailed in D.16-11-022 shall include the use of a Single Point of Contact (SPOC) for buildings that participate in common area retrofits to offer and coordinate provision of in-unit measures (using providers approved by the IOUs for both common areas and in-unit).²

The SoCalGas ESA Program MF CAM is a new initiative mandated in D.17-12-009 to deliver deep energy retrofits specific to low-income multi-family housing. The intent of

¹ SoCalGas also notes that certain elements of this annual report have been altered from prior versions to reflect information associated with the 2012-2014 program cycle. Such matters were determined in consultation with the Commission's Energy Division and the other IOUs as part of the charges of the mid-cycle working group established in D.12-08-044.

² D.17-12-009 at p. 56 and 214.

SoCalGas' CAM is to serve the existing multi-family property common area facilities by assessing whole-building opportunities thus reducing energy hardships for MF low-income customers. Cost will be covered at 100% by ESA Program unspent funds.

SoCalGas is looking forward to implementing its MF CAM initiative and aims to:

1. Engage MF properties to participate in the ESA Program CAM initiative;
2. Integrate Low-Income and Energy Efficiency MF programs seamlessly via SPOC;
3. Focus on Aliso Canyon Affected Area;
4. Establish success metrics from lessons learned; and
5. Maximize annual gas savings for multi-family customers (in-unit, common area, and master-metered accounts).

2. Delivery and Customer Services: Describe how the energy efficiency initiative will deliver savings (upstream, downstream, direct install, etc.); how it will reach customers and the services that the initiative will provide. Describe all services and tools that are provided.

SoCalGas' primary direct install measure for the MF CAM initiative is boiler replacement. Other category measure offerings include: other central water heating (e.g., controls, recirculating pumps, pipe wrap, and weatherization measures) and water measures (e.g., low flow shower heads and faucet aerators). For a complete list of measures, please refer to the ESA Program 2017 Policy & Procedures (P&P) Manual.

SoCalGas continues to identify contractors who are state-certified for boiler installation and for contractors that will perform the direct install of multi-family common area measures. In 2017, SoCalGas sent out a survey questionnaire to current ESA Program contractors to assess their capability to provide the potential additional ESA Program measure of Multi-Family Common Area Boiler Replacement/Installation for the ESA Program and/or with other SoCalGas programs and objectives.

The ESA Program strives to provide greater integration and coordination efforts with its Energy Efficiency programs. SoCalGas has distinct program offerings, especially as it relates to MF programs; thus, to appeal to MF building owners and streamline customer touchpoints, SoCalGas enhanced the use of their SPOC model which has been in place for the past three years. For example, a joint-utility effort between SoCalGas and Los Angeles Department of Water & Power (LADWP) occurred in 2016 to streamline program participation and combined gas, electric, and water efficiency financial incentives and services.

SoCalGas' SPOC will be the dedicated point person to the multi-family sector who will create a tailored road map for program participation. The SPOC will engage with other electric and water utilities and program providers, bridge gaps between programs, track all available measures and services along the way, and connect MF customers to other possible benefits and services outside of utility programs.

The SoCalGas SPOC helps property owners determine which combination of programs and measures would provide the most value and meet unique customer needs.

To achieve the goal of reaching all eligible MF customers, the SPOC will coordinate Low-Income and Energy Efficiency program offerings and strategically examine opportunities

in common areas and resident spaces to identify facilities and residents who could benefit the most from energy efficiency upgrades. SoCalGas collaborates with MF customers, both private and public, to identify energy savings that meet unique customer needs. Collaborative efforts with very large MF customers provide a model for how utilities can work with various multi-family ownership structures to generate deep energy savings.

As part of the ESA Program MF CAM initiative, SoCalGas' two initial pilot projects include examining various ways to integrate Energy Efficiency and Low-Income programs and funding to provide a comprehensive approach to maximize energy savings.

1. **Pilot Project 1** in Los Angeles, CA and this MF property building is comprised of 1100 units.
2. **Pilot Project 2** Santa Ana, CA and is a 127unit non-profit multi-family.

In direct collaboration with Southern California Edison Company (SCE), SoCalGas' approach to a Common Area and Technical Assistance Programs that provide no-cost energy efficiency technical assistance to help multi-family property owners to retrofit and make smart energy choices. SoCalGas SPOC is actively participating in California Tax Credit Allocation Committee (TCAC) workshops to identify potential participants for CAMs. The CAM Low-Income Weatherization Program for MF properties (LIWP-MF) arrangement will explore co-funding projects as well as procedures for segregating savings between programs.

To create an all-inclusive approach in its MF CAM deployment, SoCalGas will also employ Energy Inspectors, who will be responsible for conducting facility pre- and post-audits and assessments, offering technical assistance on whole building retrofits, and reviewing and disbursing incentive payments. SoCalGas will also seek support from its evaluation, measurement and verification (EM&V) team. The roles of each party are listed in the table below. Furthermore, SoCalGas, in collaboration with SCE and LADWP, will be responsible for the overall program design and any modifications needed for the MF CAM implementation.

Table 1: Summary of Program Responsibilities

SoCalGas Responsibilities	SCE, LADWP Responsibilities	Implementer Responsibilities	SoCalGas - EM&V Responsibilities
Program design and project management	Provide usage data for water and electricity to produce energy modeling as part of audit	Conduct outreach and marketing	Determine energy savings and cost effectiveness
Maintain application procedures and materials	Provide common area electric measure/usage data	Conduct facility audits	Analyze various process evaluation efforts
Advise on whole building components			
Track program data and provide usage/other data as applicable		Process and disburse all gas incentives	
Monitor analysis		Track all program data	
CPUC and ED Staff Coordination			
SPOC coordinates activities for SCE/LADWP/other municipalities for common area programs			
Engineering provides oversight and review of audit findings and along with workpaper measures			

3. Design and Best Practices: Describe how the initiative meets the market barriers in the relevant market sector/end use. Describe why the initiative approach constitutes “best practices” or reflects “lessons learned.” Provide references where available.

In its efforts to fulfill CPUC mandate to treat all eligible households, SoCalGas employs its many years of energy efficiency experience extending from the understanding of its customer base, reaching customers via its various marketing tactics to the final actual treatment of a customer home. SoCalGas has targeted renters, property managers and owners/landlords through outreach and tailored messaging.

Understanding the characteristics of multi-family renters

The 2013 ESA Program MF Segment Study estimated roughly 600,000 low-income MF households (in complexes with 5+ units) in SoCalGas' territory. Low-income MF households do not appear to differ greatly in their energy-using equipment compared to MF households with adequate income. In the equipment used to heat an apartment, low-income multi-family households are more similar to other household types in the same area than they are to other low-income MF households in other areas. Low-income MF households are only slightly less likely to report they have ENERGY STAR® qualified equipment than MF households with adequate income. While low-income MF households are less likely to have clothes washers, clothes dryers, or dishwashers in their units than MF households with adequate income, the proportion of households reporting ENERGY STAR® rated equipment is similar in the two sectors. In the low-income sector, however, a greater proportion of households report that utility bills are paid by the property owner: 11% for electricity and 22% for gas. This compares to 6% and 18%, respectively, for multi-family households above 200% of the federal poverty guidelines.³

Acknowledging barriers for renters

There is a split incentive to participate in the ESA Program for renters. Whether the renter or landlord pays the energy bill, there is limited personal incentive to participate due to perceived lack of responsibility and/or lack of direct benefit to the renter. Additionally, the landlord's permission must be obtained prior to the home being treated and many tenants are not comfortable with securing this permission.

Marketing messaging

Tailoring messaging to property owners rather than to tenants identifies the highest energy savings potential. By gaining an owner's buy-in, that owner is motivated to encourage program participation by tenants. Marketing collateral includes a brochure and flyer directed to property owners. Once a MF property owner has agreed to participate, SoCalGas provides direct mail to the tenants and ESA Program contractors outreach door-to-door to enroll qualifying participants. SoCalGas, along with the other IOUs, filed their respective Marketing and Outreach Plan last year which provides detail of various marketing tactics that will be deployed by customer segment including multi-family customers.

Outreach

Renters represent more than half the population within the SoCalGas service territory and reaching residents in MF dwellings continues to be a priority for SoCalGas' marketing and outreach efforts.

SPOC

The SoCalGas SPOC focuses on MF property owners and managers to develop key relationships. Through this model, MF program offerings will identify energy savings opportunities at the property level and this in turn maximizes tenant participation. The

³ Source: ESA Program Multi-family Segment Study 2013, pp. 14-15, the Cadmus Group.

SPOC's ability to create networks among industry organizations and other related stakeholders are key tools reaching the MF segment.

SoCalGas envisions that the SPOC's engagement process with the property owners will involve the following steps:

Step 1. Pre-Engagement a) Gather property data b) Identify high value targets c) Prepare engagement plan

Step 2. Back-End Support a) Review prior program participation b) Review & confirm eligibility c) Review meter gas usage data d) Provide program collateral

Step 3. Engagement a) Conduct outreach to property manager b) Hold kick-off meeting c) Interview key stakeholders to confirm owner priorities matched with programs d) Prioritize target facilities and develop portfolio loading order, which includes onboarding of multi-family property size, location, etc.

Step 4. Assessment a) Conduct walkthrough of facilities b) Conduct expert facility assessments for large properties (obtain energy/water usage) c) Present assessment report d) Present program program/measures (No cost/low cost lead the way) e) Present financing opportunities

Step 5. Planning & Implementation a) Assist in selection of measures b) Assist in coordinating all programs and services c) Implement both low-cost/no-cost and capital investment opportunities d) Monitor implementation progress and participate in monthly status meetings

Step 6. Back-End Support a) Conduct contractor portfolio tracking reports b) Monitor energy performance and water usage over time c) Assist with property and portfolio level benchmarking (Portfolio Manager)

Step 7. Evaluation & Post Portfolio a) Document project completion b) Manage communications c) Present case studies, white papers, etc.

The SPOC will coordinate with the qualifying multi-family property owners to determine the most beneficial activities related to common area measures and technical assistance. Program services may include:

- Energy audits and technical assistance to identify energy efficiency opportunities (ASHRAE Level 2) *(SPOC will work with property owner to determine assessment of 1 or 2 audit level)*
- Energy efficiency measure (EEM) recommendations
- Rebate and incentive support
- Benchmarking coordination
- On-Bill Financing (OBF) or lender referrals for customers considering energy efficiency projects
- TCAC (California Tax Credit Allocation Committee)

Energy Assessments and Consultation

The ESA Program will perform a no-cost walk through energy assessment. The purpose of an energy assessment is to identify site level energy savings opportunities and assist property owners and managers with making informed energy improvement decisions. A program representative will review assessment findings with customers, assist with scope of work development and streamline customer program participation.

In the event an energy audit is deemed necessary, SoCalGas will select a technical assistance contractor and the SPOC will work with the property owner and the contractor to coordinate technical assistance activities.

Program Guidance

The Technical Assistance Program will be coordination between the SPOC and the large multi-family property owners whose properties also qualify for low-income status such as but are not limited to: Section 8 Housing, Public Housing/HUD Housing, and Utility PRIZM Code. For SoCalGas, CAMs will be prioritized for multi-family properties that meet the 65% low-income criteria.

Financing Options

The SPOC will continue to coordinate with property owners and contractors to ensure maximum participation in the ESA Program. Furthermore, the SPOC will connect property owners with OBF personnel to provide available financing options, including OBF or lender referrals for customers considering energy efficiency projects.

Benchmarking Support

SoCalGas will work with property owners/managers to enroll and utilize many of its current offerings: energy analysis of their property, energy audits and technical assistance to identify energy efficiency opportunities, and benchmarking. SoCalGas will work with the customer to prioritize properties and develop a customized portfolio strategy based on identified site, energy use and budget.

Best Practice and Lessons Learned

SoCalGas' SPOC approach to working with large MF customers in 2016 revealed four best practices for collaborating with large multi-family customers which include: 1) aligning retrofits with facility management requirements to identify viable projects; 2) providing a SPOC to customers; 3) integrating utility programs by streamlining program application processes; and 4) developing a roadmap for attaining additional savings over time.

The SPOC method brings together the offerings of SoCalGas as well as its overlapping electric utility partners, including: the ESA Program, the Middle Income Direct Install (MIDI) program, MF Direct Install Program, Energy Upgrade California for MF and other Energy Efficiency programs as appropriate. A SPOC will make program referrals based on customer needs and qualifications. For example, when customers own low-income

housing and are interested in our programs then the SPOC will make a referral to ESA Program contractors.

The experience provided by the SPOC allowed building owners to engage and participate in programs that they may not necessarily be aware of and tailored offerings to meet the customer's needs. For example, larger MF properties were provided commercial grade audits to determine the maximum potential upgrades and related energy savings/benefits.

For SoCalGas, the implementation of the SPOC has proven to provide a well-managed coordination of funding sources for energy efficiency upgrades. The SoCalGas ESA Program contractors currently assess for the feasibility of measures in tenant units only. The SPOC approach takes a broader whole building perspective to assist building owners in identifying funding sources to supplement the ESA Program in-unit upgrades.

An example of the success of the SPOC is illustrated in the partnership between SoCalGas and LADWP. In 2016, the SPOC worked the major property owners the Housing Authority of the City of Los Angeles (HACLA) to identify program offerings that would best maximize the energy savings (water, natural gas, and electric) for the customer. No-cost ESA Program products include: low flow showerheads, kitchen faucet aerators, bathroom faucet aerators, and pipe wrap for the hot water distribution system. Additionally, the ESA Program will integrate LADWP electric measures to qualifying customers.

4. EM&V Approach: Describe any process evaluation or other evaluation efforts that the Program Administrator (PA) will undertake Identify the evaluation needs that the PA must build into the initiative. These might include:

- a) data collection strategies embedded in the design of the initiative or intervention to ensure ease of reporting and near-term feedback;
- b) internal performance analysis during deployment; and
- c) performance metrics

SoCalGas will use its audit results and analysis of energy savings realized from the CAM installations. Upon full deployment of CAM initiative, the results will be reported in the next ESA annual report following the completion of the evaluation.

5. Pilots:

- **Pilot Project 1** in Los Angeles, CA and this MF property building is comprised of 1100 units.
- **Pilot Project 2** Santa Ana, CA and is a 127unit non-profit multi-family.

6. Additional information: Include here additional information as required by Commission decision or ruling (as applicable, indicate decision or ruling and page numbers).

D.16-11-022 and the modified D. 17-12-099 were used to build SoCalGas ESA Program MF CAM initiative.

Supporting Documents

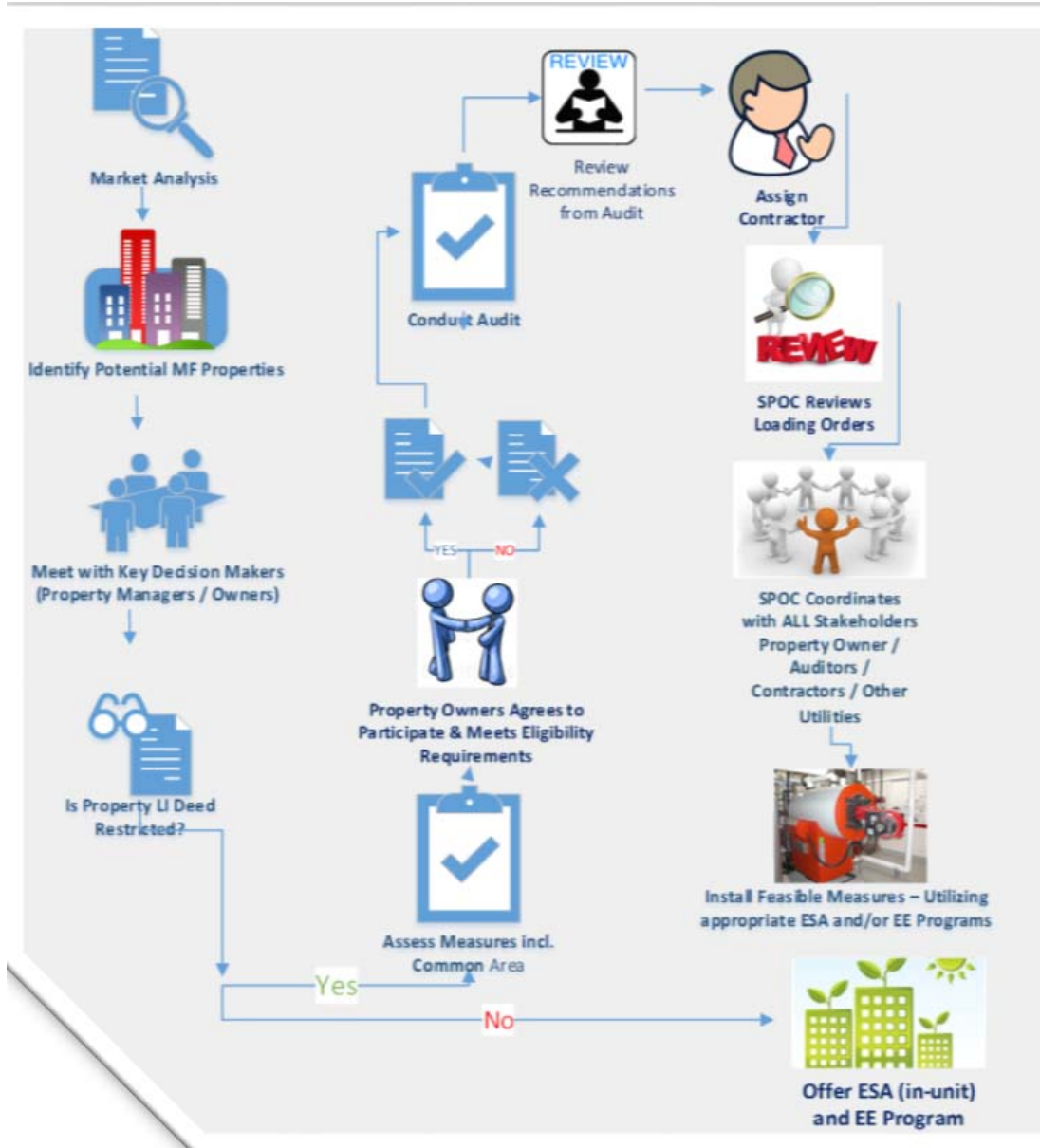
Attach the following documents in Word:

1. Program Manuals and Program Rules

- Latest draft of ESA Program Policies and Procedures (P&P) Manual
See Appendix

2. Process Flow Chart: Provide an initiative process flow chart that describes the administrative and procedural components of the initiative. For example, the flow chart might describe a customer's submittal of an application, the screening of the application, the approval/disapproval of an application, verification of purchase or installation, the processing and payment of incentives, and any quality control activities.

SoCalGas aims to foster a strong relationship to the low-income multi-family owners and tenants. SoCalGas SPOC provides energy assessments and consultation, program guidance, financing options, and benchmarking support to name a few.



7. Incentive Tables, Workpapers, Software Tools: (Can incentives be drawn out of the E3s?) Provide a summary table of measures and incentive levels, along with links to the associated workpapers. Templates are available at <http://eestats.cpuc.ca.gov/StandardTables/GuidanceDocument.aspx>.

- The SoCalGas MF CAM initiative will be utilizing savings for all measures installed in qualifying multi-family properties. SoCalGas will use and rely on information available through the Database of Energy Efficiency Resources (DEER) savings when available, otherwise, the utility will use workpapers to determine savings values.
- SoCalGas leveraged program measures offered through the Energy Efficiency and ESA Programs. SoCalGas eligible ESA Program Measures are referenced in Table 5-1 of the P&P Manual.

SoCalGas Measures
Appliances
High Efficiency Clothes Washer
Domestic Hot Water
Water Heater Blanket
Low Flow Shower Head
Water Heater Pipe Insulation
Faucet Aerator
Water Heater Repair/Replacement
Thermostatic Shower Valve
New - Combined Showerhead/TSV
New - Tub Diverter/Tub Spout
New - Thermostat-controlled Shower Valve
Enclosure
Air Sealing/Envelope
Caulking
Attic Insulation
HVAC
FAU Standing Pilot Conversion
Furnace Repair/Replacement
Duct Testing and Sealing
New - Prescriptive Duct Sealing
Maintenance
Furnace Clean and Tune
Customer Enrollment
Outreach & Assessment and In-Home Education

8. Quantitative Program Targets: Provide estimated quantitative information on number of projects, companies, non-incentive customer services, and/or incentives that initiative aims to deliver and/or complete annually. Provide references where available.

	2018	2019	2020	Total
# of Building Targeted	43	60	69	172
# of Building Treated	39	55	63	157
Therms Saved	TBD	TBD	TBD	TBD

Once the SoCalGas' MF CAM initiative is fully executed, program goals, targets, and estimates will be reviewed and revised as data becomes available on a regular basis.

Initiative Aspects: Describe initiative delivery aspects to clarify for implementers and customers the eligibility requirements and rules of the program. Note that initiative rules must comply with CPUC policies and rules. Table templates are

available at <http://eestats.cpuc.ca.gov/StandardTables/GuidanceDocument.aspx>.
At minimum, manuals should include:

- a. Eligible Measures or measure eligibility:** Provide requirements for measure eligibility or a list of eligible measures.
- Central Water Heating (e.g., Boilers, Controls, Recirculating Pumps, Pipe Wrap)
 - Weatherization measures
 - Water measures (e.g., Low Flow Shower Heads, Faucet Aerators)
 - All feasible measures as listed in ESA Program Policies and Procedures (P&P) Manual
- b. Customer Eligibility Requirements:** Provide requirements for initiative participation (e.g., annual energy use, peak kW demand)

To qualify for ESA Program MF Common Area measure services, MF participants must demonstrate that at least 65% of the dwelling units in a building are occupied by households with incomes at or below 200% or below the Federal Poverty Level (FPL).

Deed Restricted Properties and/or subsidized properties must provide regulatory agreements with a government agency showing compliance with the income eligibility requirements

Deed Restricted Properties

- Eligible properties must meet the partial definition of deed restricted in California Public Utilities Code Section 2852(a)(A) as modified in D.16-11-022. For this ESA Program multi-family effort, a property must be a multi-family residential complex financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants. The property must also house at least 65% of tenants with incomes at or below 200% Federal Poverty Guidelines, per ESA Program rules. (D.16-11-022, p. 210)

California Public Utilities Code Section 2852(a)

- The rental housing units targeted for lower income households are subject to a deed restriction or affordability covenant with a public entity or nonprofit housing provider organized under Section 501(c)(3) of the Internal Revenue Code that has as its stated purpose in its articles of incorporation on file with the office of the Secretary of State to provide affordable housing to lower income households that ensures that the units will be available at an affordable rent for a period of at least 30 years.

Multi-family properties dedicated to Low-Income population through deed restriction, ownership, or contract, include:

- Properties owned by HUD
- Owned or controlled housing for low-income federally-recognized tribal members

- Housing legally controlled by local housing authorities, non-profit organizations, or other owners where:
- The building is deed or contract restricted to house low-income tenants under an agreement with HUD, the California Department of Housing and Community Development, and/or the State Treasurer’s Office restricting rents to affordable levels based on tenant income levels
- That are regularly verified by HUD or the specified state agency (D.16-11-022, pp. 191-192)

c. Contractor Eligibility Requirements: List any contractor (and/or developer, manufacturer, retailer or other “participant”) eligibility requirements (e.g., specific IOU required trainings; specific contractor accreditations; and/or specific technician certifications required).

SoCalGas has engaged its current ESA Program contractors to install multi-family common area measures and is also seeking to identify contractors with state-certification for boiler installation.

d. Participating Contractors, Manufacturers, Retailers, Distributers

After SoCalGas picks and assigns a contractor, the contractor will be using a direct install approach and will purchase products directly from their vendors.

9. Additional Services

N/A

10. Audits: Indicate whether pre- and post- audits are required, if there is funding or incentive levels set for audits, eligibility requirements for audit incentives.

SoCalGas will employ and determine the level of audit necessary for each MF CAM installation.

SoCalGas is in the process of conducting an audit as outlined below:

Property Pilot #1:

The building information provided below that will be verified in the detailed building investigation:

- A. Five (5) Residential Towers totaling 935,330 Sqft:
 - A Building (Evensong) - 187,200 Sqft with 203 Units located at 300 S. Olive
 - B/South Building (Noontide) - 173,400 Sqft with 187 Units located at 240 S. Olive
 - B/North Building (Noontide) - 173,400 Sqft with 187 Units located at 220 S. Olive
 - C Building (Dawn) - 165,240 Sqft with 184 Units located at 245 S. Olive
 - D Building (Jubilate) - 236,090 Sqft with 332 Units located at 200 S. Olive
- B. One (1) Non-Residential Building:
 - Agape Building – 75,000 Sqft at 255 S. Hill

- Senior Activity Center
 - Main Entrance
- C. Three (3) Non-Conditioned Parking Garages totaling 87,167 Sqft:
- Building Parking Garage at 305 S. Hill
 - Level A – 40,160 Sqft
 - Level B – 40,160 Sqft
 - Agape Parking at 255 S. Hill
 - Level A – 1,071 Sqft
 - Level B – 2,139 Sqft
 - Level C – 1,105 Sqft
 - Level D – 2,532 Sqft
 - Wells Fargo Parking Garage (Rooftop Level only)

The analysis will be achieved using an ASHRAE Level II Energy Audit including the following:

- Site Assessment/Property Owner Interview
- Energy Analysis
- Economic Evaluation
- Audit Recommendation Report

Pilot Project #1 - Mixed Use Project (5 Residential Towers totaling 1,093 Units, 1 Conditioned Non-Residential Building, and 3 Non-Conditioned Parking Garages with Lighting Systems)		Completion Time (Hours)
Service Phase I	Planset Review/Take-Offs and Property Owner Interview	120
Service Phase II	Site Energy Assessment and System Inventory	50
Service Phase III	Energy Bill Analysis (Electricity, Gas, and Water)	32
Service Phase IV	Energy/Building Benchmarking	40
	Energy Upgrade Packages	60
Service Phase V	Economic Evaluation/Analysis	40
Service Phase VI	Final Audit Recommendation Report (Within 14 weeks of signed agreement – to include proposed scope of services, analysis and all final recommendations)	48
Total =		390

A detailed explanation of the scope of services and the ASHRAE Level II Energy Audit is included in Assessment Information below:

A. Economic Evaluation

Energy Inspectors will evaluate and provide estimated capital costs and a simple payback analysis of efficiency measures. This list will include the top 5 measures for energy savings.

B. Reporting

Summary report provided by Energy Inspectors to include, Executive Summary of project, recommended upgrade paths for efficiency improvements, showing lowest cost/highest impact items first, and in order of:

- a. Gas- therm savings
- b. Electric - kWh savings
- c. Water savings

• **eQuest Energy Model and Feature Analysis**

Energy Inspectors will provide SoCalGas with an analysis that shows the current energy performance of the inspected buildings and a cost-effective analysis of recommended upgrades in bringing the project to a minimum improvement of 20% better than current energy usage. The building energy upgrades shall be in this order of priority:

- Boilers and other gas (therm) related measures
- Electric (kWh) related measures
- Water (HCF) related measures

11. Quality Assurance Provisions: Please list quality assurance, quality control, including accreditations/certification or other credentials

ENERGY INSPECTORS ASSESSMENT INFORMATION

Site Assessment

The items listed in this section will be completed when applicable.

A. Interview with property owner or management

- a. Equipment condition
- b. General maintenance procedures
- c. Persistent comfort issues
- d. Indoor air quality (IAQ) problems
- e. Malfunctioning equipment (including O&M expenses, excessive noise, etc.)
- f. Planned upgrades and capital expenditures for infrastructure
- g. Previous energy assessments

- B. Heating and Cooling systems and Domestic Hot Water equipment inspection**
 - a. Collect equipment model numbers
 - b. Assess general condition of equipment (i.e., controls, pumps, pipes, etc.)
- C. Insulation**
 - a. Identify levels of insulation in wall, roof, attic, foundation, ducts, subfloor, and crawl spaces
- D. Envelope and air barriers**
 - a. Inspect all exterior penetrations for sealing
 - i. Windows
 - ii. Doors/thresholds
 - iii. Outlets
 - iv. Lighting
 - v. Rooftop hatch/doors/access
- E. Plumbing/Water and lighting**
 - a. Plumbing/water fixture (assessment and count)
 - b. Interior lighting fixture (assessment and count) and controls
 - c. Exterior lighting fixture (assessment and count) and controls
- F. Exterior inspection**
 - a. Inspection of exterior building features and conditions
 - b. Landscaping Irrigation system/control
 - c. Roofing condition and type (reflectance)
 - d. Renewable opportunity (area, placement)
- G. Other notable items**
 - a. Review existing O&M problems and logs
 - b. Review Building Automation System (BAS) control sequence
 - c. Review planned building changes and improvements
 - d. Analysis of 2 or more years of utility bill data (consumption and cost for gas, electricity, and water)
 - e. Review and link building systems/ energy efficiency measures to current utility programs/incentive structures (Residential Multi-Family ISDM Measure list)

APPENDIX

Statewide Energy Savings Assistance Program 2017-2020 Cycle Policy and Procedures Manual

**Statewide Energy Savings Assistance Program
2017-2020 Cycle
Policy and Procedures
Manual**

Applicable to:
Pacific Gas & Electric Company
Southern California Edison Company
Southern California Gas Company
San Diego Gas & Electric Company

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

1 INTRODUCTION	6
1.1 OVERVIEW	6
1.2 STRUCTURE OF THIS MANUAL	7
2 CUSTOMER AND STRUCTURAL ELIGIBILITY	8
2.1 OVERVIEW	78
2.2 CUSTOMER ELIGIBILITY REQUIREMENTS	8
<i>Income Guidelines</i>	8
<i>Types of Income Included in Household Income</i>	9
<i>Verification of Income</i>	11
<i>Actual Income Documentation Required</i>	11
<i>Types of Income Documentation</i>	12
<i>Categorical Eligibility</i>	14
<i>Targeted Self-Certification</i>	14
<i>Household Income Calculation Procedures</i>	14
<i>Determining Household Size</i>	15
<i>Qualifying Multifamily Complexes</i>	16
2.3 SERVICE ELIGIBILITY	18
<i>General Service Eligibility Conditions</i>	18
<i>Referrals</i>	18
2.4 STRUCTURAL ELIGIBILITY	20
2.5 HOME OWNERSHIP DOCUMENTATION	23
<i>Overview</i>	23
<i>Multiple Ownership</i>	24
<i>Life Estate/Living Trust</i>	24
<i>Power of Attorney (POA)</i>	24
<i>Property Management Companies</i>	24
2.6 TREATMENT OF RENTAL UNITS	25
<i>Property Owner Approval</i>	25
<i>Eligibility of Rental Units for Certain Measures</i>	25
2.7 PREVIOUS PROGRAM PARTICIPATION	27
2.8 NEED FOR ESA PROGRAM SERVICES	27
3 CUSTOMER OUTREACH AND CUSTOMER RELATIONS	28
3.1 INTRODUCTION	28
3.2 CUSTOMER OUTREACH	28
<i>Promotional Guidelines</i>	28
<i>Representations by Contractor and Contractor's Employees</i>	28
<i>Outreach Interaction</i>	29
<i>Outreach for Customers with Disabilities</i>	29
3.3 CUSTOMER RELATIONS	30
<i>Introduction</i>	30
<i>Expedient Service</i>	30
<i>Other Work</i>	30
<i>Staff Identification</i>	30
<i>Crew Appearance</i>	31
<i>Customers 18 Years or Older</i>	31

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

<i>Customer Complaint Procedures</i>	31
<i>Substance Abuse and Smoking Policy</i>	31
<i>Incident Report</i>	31
4 PROCEDURES FOR CUSTOMER HOME VISITS	33
4.1 INTRODUCTION	33
4.2 DESCRIPTION OF PROGRAM SERVICES	33
4.3 DATA COLLECTION	34
4.4 IN-HOME ENERGY EDUCATION	35
4.5 IN-HOME ENERGY ASSESSMENT.....	36
5 PROGRAM MEASURES	37
5.1 INTRODUCTION	37
5.2 PROGRAM MEASURES	37
5.3 CONSIDERATION OF CHANGES TO MEASURE LIST.....	37
6 MINOR HOME REPAIRS	42
6.1 INTRODUCTION	42
MINOR HOME REPAIRS	42
6.3 LIMITS ON MINOR HOME REPAIRS	43
6.4 PRIORITIZATION OF MINOR HOME REPAIRS	43
7 MEASURE INSTALLATION POLICIES AND PROCEDURES	45
7.1 INTRODUCTION	45
7.2 GENERAL INSTALLATION POLICIES	45
<i>Introduction</i>	45
<i>Installation by Contractor</i>	45
<i>Installation Standards</i>	45
<i>Safety</i>	45
<i>Installation of Feasible Measures</i>	46
<i>Lead-Safe Practices</i>	46
<i>Site Clean-Up Policies</i>	46
<i>Recycling and Disposal Policy</i>	46
<i>Weatherization of Mobile Homes</i>	46
8 INSPECTION POLICIES	47
8.1 INTRODUCTION	47
8.2 INSPECTION PERSONNEL	47
8.3 PRE-INSTALLATION INSPECTION	47
8.4 POST-INSTALLATION INSPECTION	47
<i>General Policies on Post-Installation Inspection</i>	47
<i>Types of Pass Rates</i>	48
<i>Post-Installation Inspection Frequency</i>	48
<i>Failed Inspections</i>	50
<i>Failed Inspection Dispute Resolution</i>	50
<i>Inspection Waivers</i>	50
9 CONTRACTOR ELIGIBILITY	51
9.1 INTRODUCTION	51
9.2 INSURANCE REQUIREMENTS	51

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

9.3 LICENSING REQUIREMENTS.....	51
9.4 WORKFORCE EDUCATION AND TRAINING (WE&T).....	51
10 NATURAL GAS APPLIANCE TESTING	52
10.1 INTRODUCTION.....	52
10.2 APPLICABILITY OF NATURAL GAS APPLIANCE TESTING	52
<i>General Applicability</i>	<i>52</i>
<i>Applicability to Combustion Fuels other than IOU Natural Gas</i>	<i>52</i>
10.3 NATURAL GAS APPLIANCE TESTING PROTOCOLS.....	53
<i>General Protocols.....</i>	<i>53</i>
<i>Pre-Weatherization Evaluations of Gas Appliances</i>	<i>53</i>
<i>Post-Weatherization Natural Gas Appliance Testing (NGAT)</i>	<i>53</i>
<i>Disposition of Appliance Fails/Problems</i>	<i>53</i>
10.4 TIMING OF COMBUSTION APPLIANCE TESTING	54
<i>Homes with Natural Gas Appliances</i>	<i>54</i>
10.5 ACTIONS TO BE TAKEN WHEN APPLIANCES FAIL NGAT	54
10.6 PERSONNEL PERFORMING NATURAL GAS APPLIANCE ASSESSMENTS AND TESTING.....	55

DRAFT

Deleted: February 27, 2018August 22, 2017

**California Statewide Energy Savings Assistance Program
Policy and Procedures Manual**

TABLES

Table 2-1: Items Included in Income 10
Table 2-2: Types of Income Documentation 12
Table 5-1: Eligible Measures 38
Table 6-1: Caps on Minor Home Repairs 43
Table 8-1: Minimum Sample Sizes for Inspections (90% within 5% precision) 48

DRAFT

Deleted: February 27, 2018August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

COMMON TERMS AND DEFINITIONS

- **CPUC** - California Public Utilities Commission
- **IOU** - Investor-Owned Utility (interchangeable with “Utilities” and/or “Program Administrator”)
- **ESA** - Energy Savings Assistance Program (a ratepayer-funded energy efficiency programs regulated by the CPUC)
- **Service Provider** - ESA Program implementer (interchangeable with “contractor”)
- **Outreach Worker** – ESA Program assessment/enrollment representative (interchangeable with “outreach specialist” and/or “enrollment specialist”)
- **.Service Territory** – Utility service area
- **Customer** – Participant household or property owner of authorized representative for multifamily complexes
- **PUC Code** – California Public Utilities Code pursuant to existing California Law
- **Low Income** –Income eligibility threshold is set at 200 percent of Federal Poverty Guidelines.
- **OP** – Ordering Paragraph
- **COL** – Conclusion of Law
- **P&P Manual** – Statewide Energy Savings Assistance Program Policy and Procedure Manual
- **IS Manual** – Installation Standards Manual (interchangeable with California Installation Standards Manual)
- **CHANGES** - Community Help and Awareness of Natural Gas and Electric Services
- **LIHEAP**- Low Income Home Energy Assistance Program
- **CARE**- California Alternate Rates for Energy
- **FERA**- Family Electric Rate Assistance

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

1 Introduction

1.1 Overview

This *Statewide Energy Savings Assistance Program Policy and Procedures Manual*¹ (*P&P Manual*) describes the policies and procedures followed in the Energy Savings Assistance (“ESA”) Programs administered by Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), Southern California Gas Company (“SoCalGas”), and San Diego Gas & Electric Company (“SDG&E”); collectively referred to as the Investor-Owned Utilities (“IOUs”). Statewide ESA Program policy and procedures are approved and adopted by the California Public Utilities Commission (“Commission” or “CPUC”).

This manual provides policies and procedures for implementation of the ESA Program and is updated pursuant to the changes in the Program ordered in Commission Decision 16-11-022.² This *P&P Manual* references, and is intended to accompany the *ESA Program California Installation Standards Manual* (“*IS Manual*”).

An electronic copy of this Statewide P&P Manual may be obtained at the CPUC website at <http://www.cpuc.ca.gov/iqap/>. If questions arise regarding interpretation of a certain policy or procedure, the Utilities shall use Commission Decision 16-11-022 or subsequent superseding decision as the overriding authority.

The policies and procedures in this *P&P Manual* are supplemented by the general and specific terms and conditions incorporated into contracts between the Utilities and their contract Service Providers as part of the ESA Program.

Updates in Program policies and procedures may be issued by the Utilities during the course of the Program Year subject to approval by the CPUC. ESA Program Managers have the flexibility to deviate from established procedures to respond to cases of customer hardship and unusual circumstances. The Program Managers shall document any exceptions in the customer and project file. Changes in the means of implementing policies, procedures and standards will be discussed with contractors prior to being made.

¹ Formerly known as the Statewide Low Income Energy Efficiency Policy and Procedures Manual.

² Updates to this P&P Manual reflect changes from D.16-11-022, which became effective November 21, 2016, for the 2017-2020 ESA-CARE Program Cycle.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

1.2 Structure of this Manual

The remainder of this *P&P Manual* is organized as follows:

- Section 2 specifies general statewide policies and procedures relating to customer and home eligibility for the ESA Program.
- Section 3 discusses policies relating to customer outreach and customer relations.
- Section 4 describes the services that are provided under the ESA Program in the initial home visit.
- Section 5 lists the energy efficiency measures that are available to participants in the ESA Program.
- Section 6 discusses policies relating to minor home repairs.
- Section 7 describes policies and procedures relating to the installation of energy efficiency measures.
- Section 8 summarizes general statewide inspection policies and procedures.
- Section 9 discusses Service Providers eligibility.
- Section 10 describes policies and procedures relating to natural gas appliance testing and furnace repairs and replacements.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2 Customer and Structural Eligibility

2.1 Overview

This section discusses the eligibility of individual households for ESA Program services. Eligibility of a household for measures offered through the Program depends on several factors, including:

- Household income;
 - Actual income documentation
 - Categorical eligibility
 - Self-certification
- Utility services provided to the property;
- The structure and type of property in which the household resides;
- Obtaining the approval of the property owner or authorized agent in the event the household resides in rental property;
- Previous ESA Program services provided; and
- The property's need for energy efficiency measures offered through the Program.

These eligibility requirements are explained below.

2.2 Customer Eligibility Requirements

2.2.1. Income Guidelines

All the Utilities use ESA Program income guidelines established by the CPUC to qualify participants in the ESA Program.

These guidelines are provided to the Utilities by the CPUC on an annual basis. The income eligibility level for the ESA Program is set at 200 percent (“%”) of the Federal Poverty Guidelines Levels pursuant to Public Utilities Code.³ . Current ESA Program income guidelines can be obtained at the CPUC website at <http://www.cpuc.ca.gov/General.aspx?id=976>.

³ See PUC Code §739.1 and §2790. Also Commission Resolution E-3254 (1992), Ordering Paragraph (OP) 3.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.2.2. Types of Income Included in Household Income

For the purposes of determining Program eligibility, all income is considered, from all household members, from all sources listed in Table 2-1 whether taxable or non-taxable.⁴ Table 2-1 indicates the specific items included as income, but is not limited for the purpose of determining eligibility for the ESA Program.

The following types of receipts are not considered household income for the purposes of determining eligibility:

- Loan proceeds; including student loans and reverse mortgages
- Assets (money in bank accounts, a house, a car or other property of possessions);
- Housing subsidies;⁵
- Funds transferred from one applicant account to another; or
- Liquidation of assets (other than the portion representing capital or other gains).

⁴ See D.89-07-062 page 35.

⁵ See D.14-08-030 OP 40, at page 120.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Table 2-1: Household Income Types

Wages, salaries and commissions	401K payments or traditional IRA disbursements:
Alimony payments	Rental income and royalties ²
Child support payments	School grants, scholarships or other aid:
Disability benefits	Self-employment earnings ²
Foster care payments	Social security payments
Realized capital gains on assets	Supplemental Security Income (SSI) payments and State Supplemental Payments (SSPs)
Interest and dividends on assets	Temporary Assistance to Needy Families (TANF) payments ³
Gambling/lottery winnings	Unemployment Benefits payments
General Relief /Cash Public Assistance ³ (County)	Veterans Administration Benefit payments
Monetary gifts (both one-time and recurring)	Workers Compensation payments
Insurance settlements or legal settlements ¹	Union strike fund benefits
Pension payments or withdrawals ¹	LIHEAP (Low Income Home Energy Assistance Program) ³
Medi-Cal for Families (formerly Healthy Families) ³	Bureau of Indian Affairs General Assistance ³
Women, Infants, Children (WIC) ³	NSLP (National School Lunch Program) ³
¹ Not including loan proceeds. ² For rental income and self-employment income, only positive values of income are included. Negative net rents and negative self-employment income are ignored. ³ Where not provided in cash distributions, participation in these public purpose programs are considered for categorical eligibility enrollment purposes only. Categorical eligibility enrollment requirements may differ across utilities.	

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.2.3. Verification of Income

2.2.3.1 Actual Income Documentation Required

When income documentation is required, income documentation must be reviewed, recorded, copied and securely stored by Service Providers prior to the installation of measures for all prospective participants. To ensure the privacy and safety of customer information, bank accounts and social security numbers, or other sensitive customer information must be redacted.

DRAFT

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Table 2-2: Types of Income Documentation

Type of Income	Documentation
Wages, salaries and Commissions	Copy of customer's payroll check stub(s) OR Federal income tax filing showing gross income OR affidavit from employer (for cash wages only, and only where just one employer)
Alimony or Child Support Payments	Copy of check, bank statement, OR most recent court document stating amount
Disability benefits, Foster Care payments, Unemployment Benefits, VA Benefits, Workers Compensation	Copy of checks stubs OR copy of most recent award letter
Capital or Other gains	Federal Income Tax filing showing capital or other gains
Food stamps	Copy of most recent award letter OR food stamp/cash issuance letter (indicate TANF or General Relief)
Gambling/lottery winnings	Determined on case-by-case basis
General relief	Copy of most recent award letter (Notice of Action) OR copy of un-cashed check(s) OR copy of direct deposit statement(s)
Monetary gifts	Copy of customer's bank statement OR affidavit from gift giver
Proceeds from insurance settlements or legal settlements	Copy of settlement document
Interest and dividend income	Copy of customer's bank statement(s) OR copy of customer's investment statement(s) OR Federal Income Tax filing showing gross income
Pension or 401K payments or Withdrawals	Copy of customer's check stubs OR copy of most recent award letter OR Form 1099R from prior year OR copy of most recent bank statement
Rental income ⁶	Tax return (Form 1040, Schedule E, Total Rental Real Estate and Royalty Income or Loss) showing rental income OR copy of rental receipts OR copy of rental agreement specifying rent amount and affidavit from tenant
School grants, scholarships or other aid	Copy of award letter OR copies of cancelled checks
Self-employment earnings ³	Income statement showing most recent quarterly adjusted earnings plus prior year's tax return (1040 Schedule C, Net Profit or Loss) OR written affidavit from an accountant or applicant
Housing subsidies	Award letter
SSI payments, TANF payments, or Social Security payments	Copy of most recent award letter (Notice of Action) OR copy of un-cashed check(s) OR copy of customer's direct deposit statement
Union strike fund benefits	Copy of benefits payment stub

For rental income and self-employment income, only positive values of income are included. Negative net rents and negative self-employment income are ignored.⁷Categorical eligibility approved in Decision 06-12-038 for SCE, PG&E, SoCalGas, and SDG&E OP 21.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

CARE **self-certification** does not automatically qualify a household for ESA Program, except in the case of group homes or targeted self-certification areas, where it is specifically allowed.

In the case where the utility has **verified** that the customer is CARE-eligible within the past year, such income verification may be used for ESA Program participation.

The utility will periodically audit enrollment information and /or income documentation retained by the Service Providers. In the event that information and/or documentation is not complete and correct for a participant, payment to the Service Providers for the provision of ESA Program services to that unit may be disallowed.

The kinds of income documentation required by the Program include but are not limited to those presented in Table 2-2. In applying these documentation requirements, the following stipulations must be observed:

- Current cash award letters must include the value of the award, if applicable, must also be dated within one year, and must list the customer's name.
- Affidavits relating to gifts must indicate the amount and frequency of the gift(s). They must also contain the name, phone number, address and signature of the giver.
- In determining rental income, a renter-landlord relationship exists between household members when a room or rooms in the house is being rented and the **renter is not a dependent of anyone** in the household. In that case, the **renter is not counted** as a household member and the rent paid **is counted** as part of the total household income. If the **renter is a dependent**, the **renter is counted** as a household member (even if he or she is paying rent) and **his or her income is considered** part of the total household income. A dependent is anyone claimed on the applicant's income tax return.
- Federal income tax documentation, when available, must include copies of all W-2s, 1099s, and profit/loss schedules or IRS tax transcript.
- Affidavits from an employer, who pays the applicant cash wages must include the company name, address and phone number. It must also include the name of the applicant, total amount paid to the applicant, and the frequency of payments. It must contain a signature from the employer's authorized representative.
- If the applicant receives cash wages from multiple employers for jobs like mowing

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

lawns, babysitting, handyman services, casual day labor, etc., a self-employment affidavit from the applicant is acceptable...

- In cases where a household claims no income for the past 12 months, the applicant must demonstrate his or her means of financial support other than income. In the event that the applicant cannot provide documentation of either income or other means of support, Program services will not be performed until such information is provided.

2.2.3.2. Categorical Eligibility

Categorical eligibility enrollment is another procedure designed to ease enrollment processes in both ESA and CARE programs. Customers are eligible to participate under categorical eligibility,⁷ and can enroll in the ESA Program based on current participation in another local, state, or federal means-tested program.⁸

Applicants utilizing the categorical eligibility option to enroll in ESA Program must present documentation reflecting current participation a Commission approved program in order to satisfy the “income documentation” component. To protect the privacy of program applicants, such documentation must be reviewed, recorded, copied and securely stored by Service Providers prior to the installation of measures for all prospective applicants.

2.2.3.3. Targeted Self-Certification

Targeted Self-Certification is a third enrollment procedure designed to ease enrollment processes in ESA Program. Eligibility for self-certification⁹ is determined by each utility based on their identification of geographic areas of their service territory where 80% of the customers are at or below 200% of the federal poverty line. Applicants residing within these targeted self-certification areas must sign a “self-certification statement” certifying that they do indeed meet the current income guidelines established for participation in the ESA Program. This self-certification statement is to be retained in lieu of other income documentation or proof of participation in a categorical eligibility program.

2.2.4. Household Income Calculation Procedures

Household income guidelines are based on all gross annual income. For self-employed individuals, gross income is defined to be net profit and loss from self-employment.

In the event that a full 12 months of income information is not available, or if there has been a

⁷Categorical eligibility approved in Decision 06-12-038 for SCE, PG&E, SoCalGas, and SDG&E OP 21.

⁸ CPUC approved categorical programs, reflected in Table 2-1, can be located at: <http://www.cpuc.ca.gov/General.aspx?id=976>.

⁹ Per D.16-11-022 OP 11, households receiving only Energy Education are not eligible for self-certification per

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

change in the employment status of the household over the past 12 months, it may be necessary to annualize income from a shorter period of time.

All Service Providers shall compute annual income as accurately as possible. The calculations used will depend on the type of records available from each household member. Since all household members may not have the same type of income records, it may be necessary, and appropriate, to use more than one method when documenting income for different members of the same household. The applicable calculation method used may be disclosed to the customer upon request.

2.2.5. Determining Household Size

Household size is the current number of people living in the home as permanent residents. Friends or family on a temporary visit (less than 6 months) are not considered household members nor are their earnings part of household income.

Children and/or other dependents continually residing in the household *only* on weekends, holidays, or vacations may be counted as part of the household only if the family claims them as dependents on their federal income tax filing. Children by previous marriages who do not reside in the home, or children away at school, are not considered household members, even if they are receiving child support, unless they are claimed as dependents on the applicant's federal income tax filing.

Deleted: February 27, 2018August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.2.6. Qualifying Multifamily Complexes

The ESA Program makes use of fractional income qualification for certain measures for multifamily complexes. The terms of income qualification are as follows:

- ❑ For the purposes of determining income eligibility, multifamily complexes are defined as those with five (5) or more attached dwelling units. Likewise duplexes, triplexes, and fourplexes will be qualified as single family homes for income eligibility determinations.
- ❑ **Table 5-1** provides a list of measures available to qualified multi-family buildings.
- ❑ Unoccupied and other non-qualified multifamily dwellings may be weatherized, as long as the multifamily building satisfies the “80% rule” for income qualification.
- ❑ The “80% rule” means that to qualify an entire multifamily building for measures offered by the Program, at least 80% of all dwelling units must be occupied by income-qualified households.
- ❑ If at least 80% of all units adjacent to a common attic space satisfy the 80% rule, that attic space may be treated even if the 80% requirement is not satisfied for the entire building. In the event that fewer than 80% of the dwelling units are occupied by income-qualified households, individual dwelling units occupied by income qualified households may still receive all feasible measures.
- ❑ Service Providers must review, record, copy and securely store income documentation for all households used to qualify an apartment building. The provider must also make its best effort to review and record income documentation for all other households in the multifamily building (i.e., those not used to meet the 80% qualification standard).
- ❑ Multifamily buildings may be eligible for whole building ESA program enrollment without the need for door-to-door tenant income documentation. Buildings eligible for “whole building” enrollment are located in a PRIZM Code, census tract, or federally recognized tribal reservation, or zone where 80% of households are at or below 200% of federal poverty guidelines; a Promise Zone as designated by the federal government, or the building is registered as low-income affordable housing with ESA Program qualified income documentation that is less than 12 months old on file. A copy of the owner or authorized representative’s whole building certification must be kept in the file for that customer.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

- Renters residing in multifamily properties shall be provided with information and pre-paid postage that they can pass on to their landlords on behalf of the ESA Program. In the course of the customer enrollment, the outreach worker shall provide a description of multifamily program services available to the income qualified household.

- Multifamily buildings may be eligible for common area measures offered by the Program. Buildings eligible for common area measures must be dedicated to providing affordable housing to low-income Californians in deed restricted, government and non-profit owned multifamily buildings. To qualify for common area measures offered by the Program, at least 65% of all occupied dwelling units in that multifamily building must be occupied by low income households, who are eligible for the ESA Program. A copy of the owner's or authorized representative's certification of ESA Program income eligibility must be kept in the customer files for that property owner.

DRAFT

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.3 Service Eligibility

2.3.1. General Service Eligibility Conditions

To be eligible for the ESA Program, a customer must be served by an active utility account/meter (includes master meter). In an area served by different investor-owned gas and electric Utilities (e.g., the SoCalGas-SCE overlap area) the fuel source for the dwelling's space heat shall determine which utility will be the provider of air sealing/envelope and attic insulation measures to the dwelling as long as that fuel source is either natural gas or electricity. In the event that a non-IOU heating fuel is used *and* the home has air conditioning, the electric IOU will be the provider of weatherization measures other than infiltration-reduction measures.

Measure-specific eligibility requirements will be followed in the ESA Program. Not all measures are offered in all utility services territories or climate zones. **Table 5-1** shows the measures offered by each utility for all housing types.

2.3.2. Referrals

In order to provide the maximum opportunity for eligible customers to receive all feasible measures, the Utilities will set up a referral system with each other. In addition, the Utilities will work with community agencies and local governments including, local Department of Community Services and Development (CSD) agencies, to expand ESA Program leveraging opportunities. This will increase the number of measures available to eligible customers by sharing the cost of measures offered by both programs.

In 2016, CSD Service Providers were authorized to provide ESA Program services in accordance with the leveraging platform established in Commission Decision D.16-11-022.¹⁰ The standards provided in this *Policy Manual* shall be observed by CSD Service Providers, to the extent applicable, where ESA Program services are provided by CSD.

In areas where a customer receives natural gas and electric services from separate Utilities, those Utilities will work together to ensure the customer receives all feasible ESA Program measures. The utility installing infiltration measures will conduct natural gas appliance testing as long as the utility serves natural gas somewhere in its service area (and thus has trained gas service

¹⁰ D.16-11-022 Dicta at p. 201, 368-369 and Ops 31-34, 47-48.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

representatives). In the event that the customer has electric space heat served by an electric-only utility, the electric utility will not install infiltration measures if natural gas appliances are present.

The following steps shall be taken to mitigate the duplication of costs otherwise associated with customers participating in two utility programs:

- First, customers that have provided proof of income qualification or deemed categorically eligible by one IOU, shall be considered eligible by all other IOU's serving this customer; and
- Second, gas and electric Utilities will offer common energy education in overlapping service areas so that customers receive education from only one utility.

DRAFT

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.4 Structural Eligibility

2.4.1. Public Housing

Public housing is eligible for participation in the ESA Program, but must meet the program eligibility requirements in order to participate. (Note that this does not include on-base military housing, insofar as these dwelling units are not served by the Utilities.)

2.4.2. Housing Type

Single family homes, multifamily dwelling units, and mobile homes are eligible to participate in the program.

- Duplexes, triplexes, and fourplexes will be qualified as single family homes.
- Multifamily complexes are defined as those with five (5) or more dwelling units.
- Mobile homes are defined by California Department of Housing and Community Development as having “over 320 square feet of gross floor area, more than eight feet in width, and more than 40 feet in length.” A mobile home is a manufactured home regulated by the U.S. Department of Housing and Urban Development code (Sec. 3280) and built on a trailer chassis and designed for highway delivery to a permanent location, and it can be a single-, double-, or triple-wide home.

The Utilities may promote or limit the treatment of housing types in individual program years as long as these actions are consistent with the achievement of the programmatic initiative.

Deleted: February 27, 2018August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.4.3. Housing on Non-Residential Rates.

In general, only residential customers on residential rates are eligible to participate in the ESA Program. However, group homes on non-residential rates are eligible for ESA Program services as long as they are currently eligible for CARE under current CARE guidelines applicable to group living facilities,¹¹ and the structure in question is a single family, multifamily or mobile home suitable for weatherization under ESA Program standards.¹²

CARE-eligible facilities include but are not limited to the following.

- Migrant farm worker housing centers, as defined in Section 50710 of the Health and Safety Code, provided that 70% of all energy usage in master-metered facilities and 100% of all energy usage in individually-metered facilities is residential.
- Privately owned employee housing, as defined in Section 17009 of the Health and Safety Code, that is licensed and inspected by the state and local agencies pursuant to Part I of Division 13, and in which 100% of all energy use is residential.
- Housing for agricultural employees operated by non-profit entities, as defined in Subdivision (b) of Section 1140.4 of the Labor Code, and that has an exception from local property taxes pursuant to subdivision (g) of the Revenue and Taxation Code, provided that 70% of all energy usage in master-metered facilities and 100% of all energy usage in individually-metered facilities is residential.
- Non-profit group living facilities, defined as transitional housing (such as a drug rehabilitation or halfway house), short- or long-term care facilities (such as a hospice, nursing home, children's home or seniors' home), group homes for physically or mentally challenged persons, or other nonprofit group living facilities.
- Homeless shelters, hospices and women's shelters with the primary function of providing lodging and which are open for operation with at least six beds for a minimum of 180 days and/or nights (including satellite facilities in the name of the licensed corporation, where 70% of the energy supplied is for residential purposes.

¹¹ See D. 92-04-024, April 8, 1992; D. 92-06-060, June 17, 1992; D. 95-10-047, October 18, 1995. Also see *Commission Advisory and Compliance Division, Workshop Report on California Alternate Rates for Energy (CARE): The Development of Guidelines to Implement CARE for Migrant Farmworker Housing, Agricultural Employee Housing, and Employee Housing*, May 1995

¹² It should be noted that CARE income eligibility requires that 100% of the residents of the facility (other than live-in staff) meet the CARE income guideline. This income eligibility criterion will be applied to group homes for the purposes of determining ESA Program income eligibility.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

- As mandated by AB 868 and reiterated by an October 1, 2004 Administrative Law Judge's Ruling,¹³ migrant housing centers are presumed to meet CARE income eligibility guidelines without verification. This presumption will also be used in determining ESA Program income eligibility of such facilities. For the purpose of determining eligibility of other types of housing on non-residential rates, income qualification shall be considered satisfied if the facility is CARE eligible. These facilities represent a unique situation and this income verification procedure shall not be considered a precedent for other circumstances.

DRAFT

¹³ Administrative Law Judge's Ruling Seeking Input Regarding Assembly Bill 868 (Care Eligibility for Migrant Housing Centers), October 1, 2004, p.5

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.5 Home Ownership Documentation

2.5.1. Overview

Home ownership must be verified. The legal owner or authorized agent must sign the property owner authorization form. It is the responsibility of the Service Provider to review all supporting documents provided to ensure proof of home ownership. If a home is in the name of a deceased spouse, the surviving spouse should be considered as the owner. Service providers and individuals signing property owner authorization are verifying that the property owner is authorized to sign agreement to participate in ESA Program, and authorizes ESA Program services for that property. A copy of the signed property owner authorization must be maintained in the customer or project file.

Any of the following may be used for home ownership documentation.

- Current loan or mortgage documents;
- Property tax records or bills;
- Home owner property insurance (declaration page);
- Mortgage payment invoices or book;
- Title search service;
- Deeds; and
- Current Mobile Home Registration from Department of Housing and Community Development or DMV certificate of title for mobile home.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.5.2. Multiple Home Ownership

If the home is owned by more than one person, the homeowner will be considered any one of the persons whose name appears on the ownership document.

2.5.3. Life Estate/Living Trust

A homeowner may have established a "Life Estate" or "Living Trust." This occurs when the property is deeded to another individual or trust, but the original owner maintains control of the property. The original owner may sign as the property owner only if he or she has a copy of Life Estate or Living Trust documents. Service providers must review and verify that the individual signing the property owner authorization is authorized to do so when the property is the subject of a "Life Estate" or "Living Trust."

2.5.4. Power of Attorney

In cases where the property owner is not available to sign on property owner authorization, any person having a Power of Attorney for that owner may sign the form.

2.5.5. Property Management Companies

Authorized representatives of property management companies may sign for property owners for both single family and multifamily agreements under the following conditions:

- the property management company has a standard Power of Attorney agreement with the property owner; or
- the property management company has a signed Management Agreement with the owner authorizing the property management company to act as the agent for the specific property; or
- any other documentation that the utility may require to establish that an agreement exists between the property owner and the management company.

A copy of any supporting documentation must be kept in the customer's file.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.6 Treatment of Rental Units

2.6.1. Property Owner Approval

In general, rental units may not receive Program Services and Measures until a property owner authorization has been received. This approval must cover the participation of the unit in the Program as well as the installation of specific measures. Such approval is valid for a period of 12 months from the date it is signed by the property owner or authorized agent. If approval of the Property Owner is not received before the installation of such services, the Service Provider will be required to reimburse the utility for all payments received from the utility for the measures in question. However, with prior written authorization from the Utilities' Program Manager, Service Providers may proceed with the installation of services and measures that do not directly affect the condition and/or structure without the signed property owner authorization.

2.6.2. Eligibility of Rental Units for Certain Measures

Assuming that the Property Owner's permission is required and has been obtained and that other eligibility conditions are met, rental units may be treated under the Program. However, the following policies relating to specific measures shall be applied. Not all measures listed are offered in all utility service territories or climate zones. See Table 5-1.

- Rental units are not eligible for furnace replacements or major furnace repairs associated with the mitigation of NGAT failures. However, service and adjustments may be made to furnaces and water heaters if these actions would improve the performance of the system at a minimal cost.
- Refrigerator and air conditioner replacements may be provided at no charge to either the tenant or the property owner, except in the instance where the property owner owns the refrigerator or air conditioning unit that is replaced and also pays the utility bill. In these instances, the Utilities may make payments to installation Service Providers to cover part of the cost of replacement.
- Second Refrigerator Replacement:*¹⁴ The electric Utilities shall offer second refrigerators where at least six or more people are living in the household.¹⁵ For households receiving a primary refrigerator replacement, which have a second inefficient unit; the service provider shall first encourage the household to remove

¹⁴ This rule applies to all second refrigerator replacements, for any property type, and is not limited to rental units.

¹⁵ D.16-11-022 dicta at p.102-103.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

and recycle the secondary unit, by providing customer education, including rebates available to retire and recycle the second inefficient unit.¹⁶ If the customer declines to remove and recycle the inefficient second unit, then the service provider may offer replacement with a more efficient second unit using the same guidelines as the primary refrigerator replacement.¹⁷

- The Utilities may opt to provide, at a nominal charge to the property owner, evaporative coolers, refrigerator replacement, and replacement air conditioners and heat pumps. For those instances, the Utilities may make payments to installation Service Providers to cover part of the cost of replacement.

DRAFT

¹⁶ D.16-11-022 dicta at p.102.

¹⁷ Id.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

2.7 Previous Program Participation

The “Go-Back” Rule is eliminated.¹⁸ Utilities will conduct household re-treatment based on household energy usage, prioritizing high energy users.¹⁹ Utilities apply additional prioritization criteria within their service territories, consistent with guidelines in D.16-11-022.

2.8 Need for ESA Program Services

The Modified 3-Measure Rule is eliminated.²⁰ A home must receive all feasible measures offered under the ESA Program.

As stipulated in the standard non-feasibility criteria²¹, if a measure is already in place and operating properly, even if it does not meet the current Installation Standards for new installations, it should not be removed and replaced.²²

¹⁸ D.16-11-022 OP 9.

¹⁹ D.16-11-022 CL 13.

²⁰ D.16-11-022 OP 9.

²¹ Energy Savings Assistance California Installation Standards

²² If a customer refuses a measure, that measure is considered non-feasible. See Section 7.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

3 Customer Outreach and Customer Relations

3.1 Introduction

This section presents statewide ESA Program policies and procedures in the areas of customer outreach and customer relations. Subsection 3.2 discusses policies relating to the recruitment of participants for the Program, while Subsection 3.3 focuses on the maintenance of proper relationships with customers. The policies in this section are supplemented by additional provisions in both specific and general terms and conditions included in formal agreements between Utilities and Service Providers.

3.2 Customer Outreach

Service Providers enrolling customers for participation in the ESA Program are required to follow strict policies relating to customer outreach and enrollment. Customer outreach policies cover promotional guidelines, limitations on representations made by Service Providers and their employees, outreach interactions, and tracking. Utility and Service Provider outreach efforts may target those customers with the highest energy usage, considering energy burden and/or energy insecurity.²³

3.2.1. Promotional Guidelines

Only promotional materials approved by the Utility may be used to promote participation in the ESA Program.

3.2.2. Representations by Service Provider and Provider's Employees

Neither the Service Provider nor his/her employees may imply that they are employees of the Utility or affiliated with the Utility in any way other than through the ESA Program.

²³ Public Utilities Code Section 327(a)(6)
Public Utilities Code Section 2790 (d).

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

3.2.3. Outreach Interactions

Outreach personnel must effectively contact and interact with a diverse set of customers. These personnel shall have available any necessary multilingual staff and/or translators and shall make every effort to resolve barriers to communication attributable to persons with disabilities.

3.2.4. Outreach for Customers with Disabilities

Service Providers shall serve and conduct outreach to customers with disabilities.

Customers with disabilities may be identified based on their enrollment in the Medical Baseline Program, enrollment in the Deaf and Disabled Telecommunications Program (DDPT), enrollment in ESA Program through a disability-based community-based organization (CBO), requests for accessible formats of written materials or use of Tele-Typewriter/Telecommunications Device for the Deaf (TTY/TDD), visibility of an observed disability, and/or self-identification as having a disability. Service Providers shall not ask the customer if he/she has a disability.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

3.3 Customer Relations

3.3.1. Introduction

It is imperative that both Service Providers and utility employees maintain proper customer relationships. The ESA Program is a customer service oriented energy efficiency program, and professional and courteous service should be delivered accordingly. Specific policies with respect to customer relations are specified below.

3.3.2. Expedient Service

Service must be provided to participants in a reasonable time frame, as determined by the Utility. Service Providers must inform customers of the approximate amount of time required for installations, inspections and gas appliance testing (if required), and shall provide services as expeditiously as possible. The number of visits to a home shall be kept to a minimum.

3.3.4. Other Work

Only work directly associated with providing ESA Program authorized services to participating customers may be billed to the ESA Program. The Service Provider is prohibited from selling other services to the customer or charging the customer for any other service.²⁴

3.3.5. Staff Identification

All Service Providers or subcontractor employees who engage in customer contact must wear identification badges provided or approved by the utility at all times. Each badge must be visible at all times and include a color photo of the employee. If the Service Provider produces badges, templates for identification badges will be provided by the utility. The Service Provider shall immediately return the ID badges of all personnel no longer working for the Service Providers or its subcontractors on the ESA Program. In the event the Service Provider is unable to return a badge, the Service Provider shall immediately notify the Utility.

²⁴ This provision does not preclude the possibility of requiring a co-payment for the installation of one or more measures, if approved by the utility.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

3.3.6. Crew Appearance

ESA Program Service Providers are responsible for the courtesy and appearance of their employees. Discourteous personnel and unprofessional appearance will not be tolerated in this program and may constitute grounds for contract termination.

3.3.7. Customers 18 Years or Older

In general, Service Providers shall enter customer's residences only when adults, eighteen (18) years of age or older are present. The only exception to this rule is that Service Providers may enter the home of a customer under eighteen (18) years of age if the customer is married or has been declared an emancipated minor by the courts.

3.3.8. Customer Complaint Procedures

The Service Provider must make every effort to resolve and document customer complaints. The Service Provider must notify the Utility or its designee of the status of each complaint within 24 hours of the Service Provider's receipt of the complaint. If the complaint deals with customer safety, the Service Provider must resolve it within 24 hours. If the complaint does not relate to customer safety, the Service Provider must resolve the complaint to the satisfaction of the customer as required by the Utility. The acceptability of the Service Provider's resolution of complaints will be determined at the sole discretion of the Utility. If the Service Provider has not resolved the complaint within the mandated period, the Service Provider shall notify the Utility or its designee of this failure.

3.3.9. Substance Abuse and Smoking Policy

In addition to local and state laws, Service Provider personnel shall not be under the influence of drugs or alcohol nor be using drugs or alcohol anytime when performing ESA Program work. Smoking is prohibited within the residence being served at all times and on the customer's property.

3.3.10. Incident Reports

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Service Providers must immediately contact the Utility or its designee to provide an incident report if during a home visit there is damage to a customer's home and/or property, or if the Service Provider's employee has been accused of an illegal act. Within 24 hours, the Service Provider will inform the utility or its designee of the resolutions of all such incidents.

DRAFT

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

4 Procedures for Customer Home Visits

4.1 Introduction

This section describes the procedures to be followed by ESA Program outreach workers and Service Providers during visits to a participating home. These procedures cover the provision of general program information, the collection of data on the household and the property, the completion of in-home energy education, the completion of the in-home energy assessment, and the installation of measures as approved by each Utility.

4.2 Description of Program Services

In the course of the customer enrollment, an outreach worker shall provide a thorough description of ESA Program services available to the income qualified household. At a minimum, this description must cover the following services:

- An overview of the ESA Program, including program goals, eligibility requirements, eligible measures, and procedures. The procedures to be covered by this description must encompass in-home energy education, available energy efficiency services and minor home repairs, general installation procedures, inspection procedures, and natural gas appliance testing procedures (if applicable).
- Other programs designed to repair/replace furnaces or install other energy efficiency measures (if these are offered as separate programs).
- The California Alternate Rates for Energy (CARE) Program. Outreach workers will also provide assistance in enrolling the customer in CARE if the customer chooses to participate in it.
- Other utility programs designed to provide services to low-income customers, including level-payment programs, medical baseline programs, and other energy efficiency programs for which the customer may be qualified.
- Similar programs offered by DCSD and other known energy related programs.

The outreach worker may also describe other utility and non-utility low income assistance

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

and energy efficiency programs. At no time shall outreach workers promote or provide fee-based services to customers in lieu of free services offered under the ESA Program.

4.3 Data Collection

During the initial interview, the outreach worker will also collect data needed to document eligibility and to meet tracking and reporting requirements. In general, information including, but not limited to the following must be collected:

- Name, address and phone number of applicant,
- Senior/disability status of applicant or other permanent household member, as observed by the assessor or voluntarily provided by the applicant,
- Residence type and owner/renter status,
- Gas and/or electric account information,
- Appliance/HVAC system information,
- Customer unwillingness/inability to participate, and
- Home square footage.

Demographic data may also be collected if offered by the customer.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

4.4 In-Home Energy Education

In-home energy education will be provided to all income-eligible applicants using forms and checklists provided by the Utilities. The Utilities shall not count a household as “treated” if provided energy education alone.²⁵

In-home energy education will cover the following general areas: heating and cooling usage, water heating system usage, major electric and gas appliance usage, small appliance usage, benefits of energy efficiency programs in reducing greenhouse gas emissions, water conservation, and lighting usage.

Specific topics to be covered in the course of in-home energy education must include but are not limited to the following²⁶:

- The general levels of usage associated with specific end uses, installed program measures and appliances
- The impacts on usage of individual energy efficiency measures offered through the ESA Program or other Programs offered to low-income customers by the utility
- Practices that diminish the savings from individual energy efficiency measures, as well as the potential cost of such practices
- Ways of decreasing usage through changes in practices
- Information on CARE, the Medical Baseline Program, Family Electric Rate Assistance (FERA), Low Income Home Energy Assistance Program (LIHEAP), Community Help and Awareness of Natural Gas and Electric Services (CHANGES), and other available programs
- Appliance safety information
- Understanding utility bills and current utility rates
- Greenhouse gas emissions
- Water conservation

²⁵ D.16-11-022 OP 11.

²⁶ Utilities may include additional topics specific to their Service Territories, and Climate Zones where applicable.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

- CFL disposal and recycling

4.5 In-Home Energy Assessment

An assessment of the structure will be completed on homes with income-qualifying applicants using utility approved forms and/or tools. The assessment will be completed by the Service Provider, prior to the installation of any measures. The assessment will identify feasible measures which may be installed through the Program. The customer should be educated and informed on the procedures used to conduct natural gas appliance testing where applicable.

DRAFT

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

5 Program Measures

5.1 Introduction

This section identifies energy efficiency measures available through the ESA Program and discusses the means by which changes in eligible measures are made over time. Subsection 5.2 refers to the measures offered under the program, while Subsection 5.3 outlines the process that will be used to evaluate measures for inclusion in the program in future years.

5.2 Program Measures

Table 5-1 indicates the specific program measures that may be provided to participants for the ESA Program in accordance with the California Installation Standards Manual.

5.3 Consideration of Changes to Measure List

Utilities jointly evaluate existing program measures in the course of developing recommendations for programs in subsequent years. Measures are evaluated using all available information on both costs and benefits (including energy benefits as well as non-energy benefits), and from that information the Utilities develop a set of recommendations for CPUC approval.

If warranted by the evidence, these recommendations may vary across climate zones. The Utilities will also implement a process for considering new measures to be added to the Program in accordance with CPUC directives. This process will involve the issuance of a solicitation for recommendations for new measures and assessment of the cost-effectiveness of the new measures proposed.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Table 5-1 Eligible Measures ¹

Measure	PG&E			Avail. to Renters	SDG&E			Avail. to Renters	SCE			Avail. to Renters	SCG			Avail. to Renters
	S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H	
Heating, Ventilation & Air Conditioning																
Gas Furnace ⁴ Repair/Replace CZ 1, 2, 3, 4, 5, 6, 11, 12, 13, 14, 16	√	√	√													
Gas Furnace ⁴ Repair/Replace CZ 7, 10, 14,15					√	√	√									
Gas Furnace ⁴ Repair/Replace CZ 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16													√	√	√	
HE-FAU/ Gas Furnace ^{4, 5} Repair/Replace CZ 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16													√	√	√	
Forced Air Unit Standing Pilot Light Conversion All CZ					√	√	√	√					√	√	√	√
Room A/C Replacement																
CZ 10					√	√	√	√								
CZ 10, 13, 14, 15	√								√	√	√	√				
Central A/C Replacement																
CZ 14 [add others when known]	√															
CZ 13, 14, 15									√	√	√	√				
Heat Pump – CZ 13,14, 15									√	√	√	√				
AC Time Delay CZ 1, 2, 3, 4, 5, 6, 11, 12, 13, 14, 16, (Except SF & MF CZ 1, 5, 6 and MF CZ 3)	√	√	√	√												
Efficient Fan Controller CZ 13, 14, 15									√	√	√	√				
**SGDE																
Duct Sealing CZ 1, 2, 3, 4, 5, 11, 12, 13, 16	√		√	√												
CZ 7, 8, 10, 14, 15 (Except CZ 8 Gas)					√	N	√	√					√	√	√	√
CZ 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16													√		√	√
Prescriptive Duct Sealing – CZ 7, 8, 10,					√		√	√								

Commented [MA71]: PG&E will check what additional CZ's were proposed.

Commented [MA72]: Inform RHA that this measure should be include, with applicable restrictions from the decision per OP 27

Commented [MA73]: SDG&E will review its application to determine what structures are eligible

Deleted: February 27, 2018August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Table 5-1 Eligible Measures¹

Measure	PG&E			Avail. to Renters	SDG&E			Avail. to Renters	SCE			Avail. to Renters	SCG			Avail. to Renters
	S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H	
14, 15 (Except CZ 8 Gas)																
CZ 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16													√		√	√
Evaporative Coolers																
CZ 10, 13, 14, 15, 16									√	√	√	√				
CZ 1, 2, 3, 4, 11, 12, 13, 14, 16 (Except MH CZ 1)	√		√	√												
Maintenance																
Furnace Clean & Tune													√	√	√	√
CZ 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16																
CZ 7, 10, 14, 15					√	√	√	√								
Central A/C Tune-up/Services																
CZ 2, 4, 6, 11, 12, 13, 14, 16	√	√	√	√												
CZ 6, 7, 8, 14, 15					√	√	√	√								
CZ 13, 14, 15									√	√	√	√				
Enclosure																
Envelop/Air Sealing Measures²																
CZ 1, 2, 3, 4, 5, 6, 11, 12, 13, 14, 16	√	√	√	√												
CZ 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16													√	√	√	√
CZ 6, 8, 9, 10, 13, 14, 15, 16 Electric Heated Home									√	√	√	√				
CZ 6, 7, 8, 10, 14, 15 Electric Heated Home					√	√	√	√								
CZ 7, 10, 14, 15 Gas Heated Home					√		√	√								
Attic Insulation																
CZ 1, 2, 3, 4, 5, 6, 11, 12, 13, 14, 16	√	√		√												
CZ 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16													√	√		√
CZ 6, 7, 8, 10, 14, 15 Electric					√	√		√								
CZ 7, 10, 14, 15 Gas					√	√		√								
All CZ – Electric Heated Homes									√	√	√	√				
Minor Home Repairs³ All CZ	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Domestic Hot Water																
Faucet Aerators	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Table 5-1 Eligible Measures ¹

Measure	PG&E			Avail. to Renters	SDG&E			Avail. to Renters	SCE			Avail. to Renters	SCG			Avail. to Renters
	S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H	
All CZ																
Low-Flow Showerhead All CZ	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Gas Water Heater ⁴ Repair/Replacement All CZ	√	√	√		√	√	√						√	√	√	
Heat Pump Water Heater All CZ					√	√	√	√								
Water Heater Blanket All CZ	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Water Heater Pipe Insulation – All CZ	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Thermostatic Shower Valve – All CZ	√	√	√	√	√	√	√	√					√	√	√	√
Thermostatic Tub Spout All CZ													√	√	√	√
Tub Diverter All CZ					√	√	√	√								
Lighting Measures ⁶																
CFL Lighting – All CZ	√	√	√	√	√	√	√	√	√	√	√	√				
Interior Hard-wired CFL Fixtures – All CZ	√	√	√	√	√	√	√	√								
Exterior Hard wired CFL Fixtures – All CZ	√	√	√	√	√			√	√			√				
CFL Torchieres – All CZ	√	√	√	√	√	√	√	√	√	√	√	√				
Vacancy Sensors – All CZ	√	√	√	√												
LED Bulbs – All CZ	√	√	√	√	√	√	√	√	√	√	√	√				
Interior LED Fixtures All CZ	√	√	√	√												
Exterior LED Fixtures All CZ	√	√	√	√					√			√				
LED Torchieres – All CZ	√	√	√	√					√	√	√	√				
LED Night Light – All CZ					√	√	√	√								
Appliances																
Refrigerators – All CZ ⁷	√	√	√	√	√	√	√	√	√	√	√	√				
High Efficiency Clothes Washer – All CZ					√	√	√	√					√	√	√	√
LIHEAP Appliances All CZ	√	√	√	√												
Microwave Ovens All CZ	√	√	√	√	√	√	√	√								

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Table 5-1 Eligible Measures ¹

Measure	PG&E			Avail. to Renters	SDG&E			Avail. to Renters	SCE			Avail. to Renters	SCG			Avail. to Renters
	S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H		S/F	M/F	M/H	
Miscellaneous																
Pool Pumps – All CZ									√			√				
Tier 1 Smart Power Strips - All CZ					√	√	√	√	√	√	√	√				
Tier 2 Smart Power Strips -All CZ	√	√	√	√	√	√	√	√	√	√	√	√				

Table 5-1 Footnotes:

- ¹ Table 5-1 indicates the specific program measures that may be provided to participants for the ESA Program in accordance with the California Installation Standards Manual. Climate zones referenced, are developed by the CEC, and may be located at <http://www.energy.ca.gov/maps/renewable/BuildingClimateZoneMap.pdf>, and are updated regularly at http://www.energy.ca.gov/maps/renewable/building_climate_zones.html.
- ² Includes Caulking, Outlet Cover Plate Gaskets, Evaporative Cooler Cover, Air Conditioner Cooler Cover, Attic Access Weather-Stripping and Minor Home Repairs (which include repairs such as ceiling repair, cover plates, door jams, door patch/plate, door replacement, exhaust fan vents, exterior wall repair, foam wall patch, interior wall repair, glass replacements, glazing compounds, lock sets (exterior door) windowsill repair, thresholds, vent repair and alignment, and window repair).
- ³ There are multiple sub-measures included under minor home repairs. Minor home repairs are constituted by services that reduce infiltration (e.g., window repairs), mitigate a hazardous condition, or accommodate the installation of program measures (e.g., attic venting). For the purposes of qualifying a home for the ESA Program, all minor home repairs (combined) count as a single measure.
- ⁴ For owner occupied units, furnace repairs and replacements are provided only when necessary to mitigate NGAT fails and pursuant to the installation of infiltration-reduction measures. Water heater repairs and replacements are also provided only to mitigate NGAT fails or to replace leaking water heater tanks.
- ⁵ HE Furnace is a High Efficiency FAU/Gas Furnace with AFUE 0.95, to replace an existing AFUE ≤0.65 furnace for customers with winter usage >400 therms, with priority given to areas impacted the Aliso Canyon natural gas outage. Households receiving this measure shall also qualify for and receive ESA Program infiltration-reduction measures.
- ⁶ CFLs will be phased out by 1/1/18 and LEDs may be installed immediately.
- ⁷ See section 2.6.2 above for second refrigerator replacement policy.

Note: In situations where there are questions regarding the interpretation of a certain measure, the Utilities shall use Decision 16-11-022 or subsequent superseding decision as the overriding authority.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

6 Minor Home Repairs

6.1 Introduction

This section describes the ESA Program policies and procedures relating to minor home repairs. Section 6.2 discusses the minor home repairs that may be provided through the ESA Program. Section 6.3 describes Program limits on expenditures on general types of minor home repairs. Finally, Section 6.4 describes the prioritization criteria that will be used by Program Managers to prioritize repairs for a specific home when not all needed minor home repairs can be made within the constraints of the budget limits for that home.

6.2 Minor Home Repairs

Minor home repairs are repairs required to enable installation of eligible program measures, to reduce infiltration, or to mitigate a hazardous condition and does not include non-functional appliance repair or replacement. Minor home repairs shall be done in a manner that maintains accessibility for customers with observed disabilities.

In all homes receiving infiltration-reduction measures, minor home repairs also include other corrections needed to pass the NGAT protocol, including but not limited to, adding combustion and ventilation air (CVA) venting, and other corrections. It is the general policy of the ESA Program that these repairs must be made if they are needed and feasible, subject to budgetary limits.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

6.3 Limits on Minor Home Repairs

There are two types of limits on costs incurred for minor home repairs.

- **Average Cost Limits.** These are limits on the average cost of categories of service across all homes receiving the service in question. They are designed to provide overall cost control for the provision of these services.
- **Individual Home Limits.** These are defined as limits on the cost that can be incurred for an individual home without the specific approval of the utility Program Manager. Individual home limits are meant to provide for equity in the distribution of program funds across individual households but yet provide Program Managers enough flexibility to respond to individual customer needs and hardship situations.
- **Installation of HE furnaces.** Caps on minor home repairs do not apply when High Efficiency (HE) furnaces will be installed under the following conditions:²⁷
 - The customer receives an HE furnace to replace a less efficient unit.
 - The HE furnace to be installed has an Annual Fuel Utilization Efficiency (AFUE) of 0.95 to replace an existing inefficient furnace with AFUE less than or equal to 0.65.
 - The customer receiving the HE furnace has usage above 400 therms in the winter season, and the household also qualifies for and receives infiltration and reduction measures under the ESA Program.
 - If the customer resides in the Aliso Canyon affected area, and the HE furnace replaces a unit that is below code.

These expenditure limits are presented in **Table 6-1**, and apply to **all** minor home repairs.

Table 6-1 Caps on Minor Home Repairs

Service	Average Cost per Home Receiving Service	Maximum Cost for Individual Home
Minor Home Repairs	\$300	\$750

²⁷ D.16-11-022, at p.106-107 OP 15; and COL18,19 and 21 ,

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

6.4 Prioritization of Minor Home Repairs

In the event that a Service Provider requests permission from the utility Program Manager to exceed the limit on minor home repairs, the Program Manager will base the decision on the status of the Service Provider's minor home repair budget, the overall program budget, and the need for the repairs in question. If the Program Manager deems it necessary to limit expenditures on the home, measures will be prioritized using the following general priority list:

- Repairs needed to mitigate immediate hazards (e.g., door repairs where doors will not close or lock),
- Repairs needed to mitigate major infiltration sources (e.g., broken windows, holes in doors, etc.),
- Repairs required to permit the installation of a measure, and
- Other repairs.

DRAFT

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

7 Measure Installation Policies and Procedures

7.1 Introduction

This section presents ESA Program policies for Program measures that are covered in the ESA Program Installation Standards Manual. Subsection 7.2 specifies general policies that apply to all measures, including Service Providers installation, installation standards, safety, site clean-up, and other policies.

7.2 General Installation Policies

7.2.1. Introduction

Several general policies relating to the installation of Program measures must be followed by installation personnel. These policies are presented below.

7.2.2. Installation by Contractor

Measures must be installed by the Service Providers. Dropping off materials for later installation by the customer is not permitted under the ESA Program.

7.2.3. Installation Standards

All measures must be installed in conformance with the ESA Program Installation Standards Manual. These standards are intended to meet or exceed existing codes and regulations, and to conform to accepted building practices. When a conflict exists between these installation standards and local codes, the more stringent requirement shall take precedence.

7.2.4. Safety

Service Providers must plan and conduct all work in a manner that is consistent with the safety of persons and property. All work shall be conducted in compliance with reasonable and safe working practices and with applicable federal, state, and local laws. For instance, the Service Provider is responsible for complete compliance with California Occupational Safety and Health Standards. It is the responsibility of each Service Provider to establish and maintain a safety program for all work undertaken for the ESA Program.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

It is also the responsibility of each Service Providers to ensure that all employees observe safety rules by complying with all required safety precautions and regulations. Service Providers must ensure that their staff members receive appropriate training in the safe and proper use of the tools associated with the installation of each ESA Program measure.

7.2.5. Installation of Feasible Measures

It is the policy of the CPUC that ESA Program Service Providers must install all feasible measures unless after communicating the benefits of installing the new measure(s), the customer specifically refuses the measure(s). If the installer determines that a measure cannot be installed, the reason shall be recorded and made available to the utility or its designee.

7.2.6. Lead-Safe Practices

Service Providers shall conduct lead-safe practices when working with pre-1978 painted materials in accordance with federal, state, and local regulations and codes. Lead-safe practices for specific measures are listed in the California Installation Standards Manual.

7.2.7. Site Clean-Up Policies

The Service Provider must maintain all work sites and related structures, equipment and facilities in a clean, orderly condition during all work conducted under the ESA Program. Any unused or leftover materials, garbage and debris must be promptly removed from the customer's premises by the Service Provider and disposed of at the Service Provider's expense. The customer's premises must be left in a clean and orderly condition at the end of each day and at the completion of work.

7.2.8. Recycling and Disposal Policy

The Service Providers shall properly dispose and recycle replaced measures in an environmentally safe manner and in accordance with federal, state, and local regulations and codes. Specific disposal and recycling policies and procedures of measures are listed in the California Installation Standards Manual.

7.2.9. Weatherization of Mobile Homes

Mobile homes with open combustion furnaces or water heaters drawing air from inside the conditioned space may not have infiltration reduction measures installed under the ESA Program. Attic insulation (and attic duct reconnection) is not a measure for mobile homes.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

8 Inspection Policies

8.1 Introduction

This section summarizes the inspection policies used in the ESA Program to ensure safety and quality control in the installation of measures and minor home repairs. Subsection 8.2 discusses the designation of the responsibilities for inspections. Subsection 8.3 describes policies relating to pre-installation inspections. Subsection 8.4 presents policies on post-installation inspections.

8.2 Inspection Personnel

Utilities will use in-house personnel, contract employees, or Service Providers to conduct inspections. However, each utility will undertake in-house either the prime Service Providers' (administration) function or the inspection function, but not both, with the very limited exceptions discussed in D. 00-07-020.

8.3 Pre-Installation Inspection

The IOUs may implement a pre-installation inspection process for their respective ESA Program. As part of this process, each IOU can select the percentage of homes to be evaluated for program eligibility prior to the installation of measures.

8.4 Post-Installation Inspection

8.4.1. General Policies on Post-Installation Inspection

Post-installation inspections are used to assure that Service Providers install measures in accordance with the California Installation Standards of the ESA Program. In this subsection, specific policies relating to post-installation inspections are presented. These policies encompass the types of pass rates used in program administration, frequency of post-installation inspections, treatment of failed inspections, resolution of disputes relating to

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

inspections, inspection waivers, and minor job corrections.

8.4.2. Types of Pass Rates

Utilities or their designees will collect information on both per-home and per-measure pass rates. Per-home pass rates will be used for the purposes of determining minimum sample sizes for tracking performance. Per-measure pass rates will be used to tailor training and technical assistance for Service Providers, as well as to manage programs in a prudent manner.

8.4.3. Post-Installation Inspection Frequency

Utilities or their inspection Service Providers will select²⁸ for inspection all attic insulation and furnace replacement jobs. For all other jobs not involving attic insulation or furnace replacement, random inspections will be conducted for a sample of dwelling units.

Suggested minimum sample sizes are shown below in **Table 8-1**. These sample sizes are designed to provide 90% confidence that the true pass rate is within 5% of the estimated value.

Table 8-1: Minimum Sample Sizes for Inspections (90% within 5% precision)

Pass Rate	Number of Homes Completed By Contractor					
	200	500	1000	2000	5000	10000
0.70	140	241	317	377	425	444
0.75	129	210	265	306	337	348
0.80	115	176	213	239	257	264
0.85	98	139	161	175	184	188
0.90	76	97	108	114	118	119
0.95	45	51	54	56	57	57

²⁸ It is understood that selecting 100% of jobs for inspection does not necessarily mean that 100% of inspections will be completed, since the utilities and their inspection Service Providers cannot compel program participants to be present for inspection appointments.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

Utilities or their inspection Service Providers may exceed these minimum sample sizes if, in the judgment of the administrator, larger sample sizes are necessary to preserve program quality control. Circumstances that may justify larger sample sizes include, but are not limited to, the following:

1. If the utility's program or the amount of additional post-inspections undertaken is small enough to conduct additional post inspections without substantially increasing total program expenditures.
2. If a particular Service Provider exhibits a pattern of inspection failures that justifies inspection of a higher percentage of jobs.
3. If a Service Provider is on a quality improvement plan which requires improvement of its inspection pass rates.
4. If a Service Provider's crews are newly trained or new to the program, and require closer field supervision and on-the-job training.
5. If a Service Provider's installation crews are not sure of program **installation** standards, as shown by failed inspection results.
6. If a Service Provider's allocation of homes covers multiple counties.
7. If post-inspections are done in conjunction with post-installation natural gas appliance tests, since there are economies associated with conducting post-installation inspections and post-installation natural gas appliance testing **at the same time.**²⁹
8. If larger sample sizes are necessary to resolve disputes with Service Providers over estimated billing fail rates.
9. If a new measure has been added to the Program.

Utilities will keep records of actual inspection frequencies by Service Providers.

²⁹ The rationale here is that there are economies associated with conducting post-installation inspections and post-installation natural gas appliance testing.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

8.4.4. Failed Inspections

If a feasible measure is installed incorrectly or is not installed at all, Contractor may be issued a correction fail which must be resolved as required by the IOU. Hazardous fails must be addressed within 24 hours of notification by the utility and/or its designee.

8.4.5. Failed Inspection Dispute Resolution

In those instances where a dispute arises between inspectors and Service Providers, the utility may utilize in-house personnel or a third-party to hear and determine appropriate action on any dispute between Service Providers and inspectors.

8.4.6. Inspection Waivers

Policies on inspection waivers vary between mandatory and non-mandatory inspections, as follows:

- **Mandatory inspections** are required for projects which include attic insulation or furnace replacement. For mandatory inspections, three attempts will be made to arrange for a post-installation inspection within 30 calendar days of the notification of job completion. After three such attempts, the inspection provider will send a certified letter to the participant asking for permission to inspect the home. If the participant does not respond to this certified letter within two weeks, the inspection provider need not conduct the inspection but must notify the utility that the inspection could not be completed.
- **Non-mandatory inspections** relate to projects not involving attic insulation or furnace replacement. They are non-mandatory in the sense that only a sample of projects must be inspected. For non-mandatory inspections, three attempts will be made to arrange for a post-installation inspection within 30 calendar days of the notification of job completion. A non-mandatory inspection of a sampled project may be waived by the utility after three attempts to contact the participant, provided that attempts are made in an effort to overcome barriers attributable to language preference or disability. The inspection provider shall replace a waived inspection with another inspection and shall complete a sufficient number of inspections as provided in the policy on post inspection frequency (see above).

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

9 Contractor Eligibility

9.1 Introduction

This section outlines Service Providers eligibility conditions under the ESA Program. Subsection 9.2 deals with insurance requirements. Subsection 9.3 relates to licensing requirements. Subsection 9.4 relates to workforce, education, and training. The purpose of this section is to provide general information on these requirements. It may not include all of the requirements specified in the contracts between Service Providers and Program Administrators. Service Providers interested in participating in the ESA Program can obtain information at each utilities respective website.

9.2 Insurance Requirements

Service Providers and their employees or subcontractors shall maintain insurance in full force and effect during the life of the contract with the utility, with responsible insurance carriers authorized to do business in California and having a Best Insurance Guide (or equivalent) rating that meets the guidelines of each utility.

9.3 Licensing Requirements

Any organization or company contracting under the ESA Program must comply with all applicable federal, state and local laws and regulations, as well as with utility guidelines. Service Providers and subcontractors must also comply with any applicable California State Licensing Board (CSLB) requirements, including current requirements for electrical, plumbing and HVAC, and must remain in good standing with the CSLB.

9.4 Workforce Education and Training (WE&T)

Service Providers should make every effort to hire and train from the local low income communities.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

10 Natural Gas Appliance Testing

10.1 Introduction

This section summarizes the statewide policy on ESA Program natural gas appliance testing (NGAT). Subsection 10.2 discusses the circumstances when such testing must be conducted. Subsection 10.3 presents the general protocols that are followed in the course of natural gas appliance testing. Subsection 10.4 addresses the timing of testing. Subsection 10.5 considers actions to be taken when one or more test is failed by appliances in a participating home. Finally, Subsection 10.6 discusses the types of personnel used for the assessments.

Note that specific standards for these natural gas appliance testing (NGAT) protocols are described in the *ESA Program California Installation Standards Manual*.

10.2 Applicability of Natural Gas Appliance Testing

10.2.1. General Applicability

In general, natural gas appliance testing will be conducted for all homes that receive infiltration reduction measures and that have at least one natural gas appliance affecting the living space.³⁰ In addition, the repair and replacement of a natural gas furnace or water heater involves appliance testing. See the Natural Gas Appliance Testing section in the California Installation Standards Manual, as applicable.

10.2.2. Applicability to Combustion Fuels other than IOU Natural Gas

Homes with non-IOU (e.g., propane) space heating fuels are not eligible for infiltration reduction measures. As a consequence, they are not eligible for natural gas appliance testing. Homes with IOU space heating but which use a non-IOU combustion fuel for another appliance (i.e., water heating) are also ineligible for NGAT due to the inability of the IOUs to service combustion appliances using non-IOU fuels. The IOUs will refer these latter homes to local LIHEAP agencies.

³⁰ The NGAT section of the ESA Program Installation Standards Manual describes the conditions under which an appliance is determined to affect the living space.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

10.3 Natural Gas Appliance Testing Protocols

10.3.1. General Protocols

General natural gas appliance testing (NGAT) protocols are presented below. Note again that detailed procedures are described in the NGAT section of the California *Installation Standards Manual*. The types of checks conducted as part of NGAT are described in this section.

10.3.2. Pre-Weatherization Evaluations of Gas Appliances

In order to avoid cases in which post-weatherization NGAT would discover nonconforming conditions that (a) preclude installation of infiltration reduction measures, and (b) cannot be corrected within the scope of the program, some pre-weatherization evaluations of gas appliances are performed as part of the home assessment.

Required corrections will be performed before weatherization commences. The customer will be informed of conditions that preclude installation of infiltration reduction measures and cannot be remedied by the ESA Program (e.g., exhausting clothes-dryers outdoors, and repair or replacement of appliances and gas vents for which repair or replacement is not available).

10.3.3. Post-Weatherization Natural Gas Appliance Testing (NGAT)

After completion of weatherization that includes infiltration reduction measures, NGAT is performed for all natural gas appliances affecting the living space.

10.3.4. Disposition of Appliance Fails/Problems

If a problem is identified through the application of the overall natural gas appliance testing protocol (i.e., elevated CO, inadequate draft, or defect causing an unsafe condition), the case will be referred for resolution to qualified utility-trained personnel or a Service Providers licensed to repair appliances. Such resolution may involve the use of flue CO testing as well as other procedures.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

10.4 Timing of Combustion Appliance Testing

10.4.1. Homes with Natural Gas Appliances

For homes with natural gas appliances, post-weatherization NGAT protocols are conducted after weatherization. Post-weatherization NGAT shall be conducted within five (5) working days from the date that infiltration reduction measures are installed.

10.5 Actions to be Taken When Appliances Fail NGAT

The following actions will be taken when appliances fail NGAT:

- In owner-occupied homes, natural gas space heaters failing one or more of the tests covered by the NGAT protocol will be provided with Service/Adjustment and, if necessary, will be repaired or replaced subject to Program policies and procedures.³¹
- In owner-occupied homes, natural gas water heaters failing one or more of the tests covered by the NGAT protocol will be provided with Service/Adjustment and, if necessary, will be repaired or replaced subject to Program policies and procedures.³²
- In owner-occupied homes, non-program appliances³³ failing one or more of the tests covered by the NGAT protocols will be referred for service or provided with Service/Adjustment.³⁴ If Service/Adjustment does not correct the problem, the appliance will be tagged, shut off, and/or capped and reported to the customer.
- In renter-occupied homes, appliances failing one or more of the tests covered by the NGAT protocol will be referred for service or provided with Service/Adjustment.³⁵ If Service/Adjustment does not correct the problem, the appliance will be tagged, shut off, and/or capped and reported to the customer.

There are cost restrictions to be considered when determining whether to repair the furnace measure. The cost to repair the measure should not be more than the cost to replace the measure as follows:

³¹ Note that the absence of a furnace in cases where another gas appliance is used for space heating will constitute an NGAT fail.

³² Water heater repairs and replacements are provided only to mitigate NGAT fails or to replace water heaters that are leaking from the tank.

³³ Appliances for which ESA Program repair or replacement is not available.

³⁴ In this context, Service/Adjustment of an appliance entails providing services that are within the scope of the gas service department for customers in general.

³⁵ In this context, Service/Adjustment of an appliance entails providing services that are within the scope of the gas service department for customers in general.

Deleted: February 27, 2018 August 22, 2017

California Statewide Energy Savings Assistance Program Policy and Procedures Manual

- Central Furnaces - 50% (Does not include the costs of compliance items.)
- Wall/Floor/Direct Vent Furnaces - 40% (Does not include the costs of compliance items.)

10.6 Personnel Performing Natural Gas Appliance Assessments and Testing

The Utilities have the option of conducting natural gas appliance assessments and testing using in-house staff or contracting with third parties to provide these services.

DRAFT

Deleted: February 27, 2018 August 22, 2017